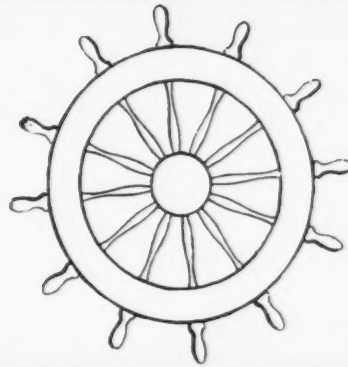
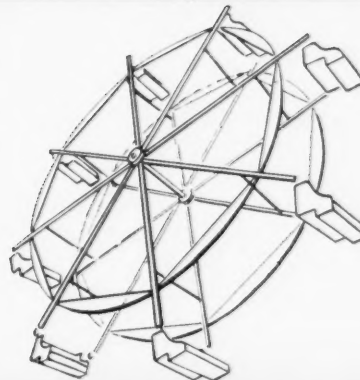
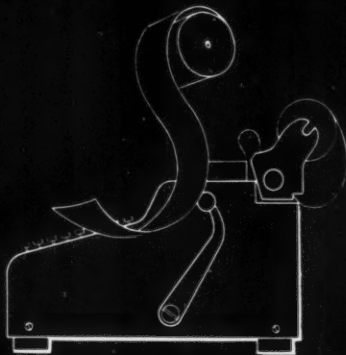


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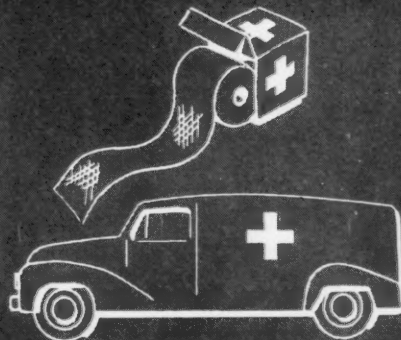
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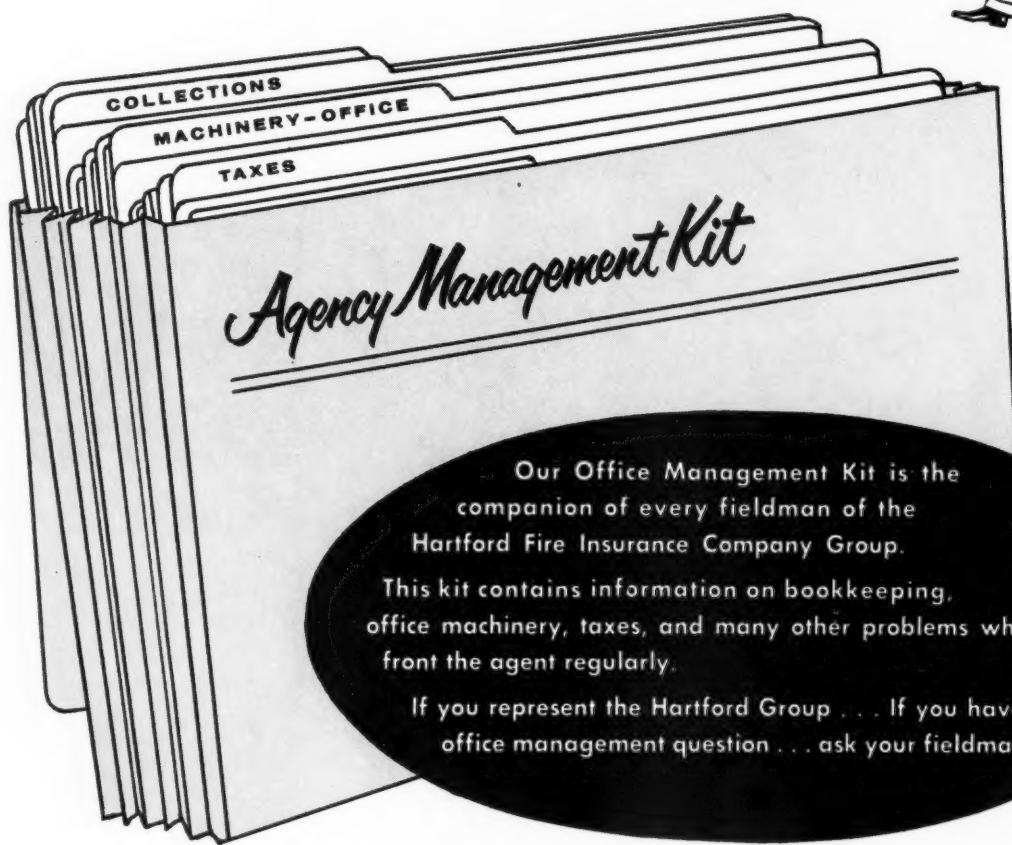
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American Mutual Alliance Opposes UJF for New York

Suggest All Drivers in State Be Made to Show Financial Responsibility

American Mutual Alliance voted at its annual meeting in Chicago last week to oppose the proposal of Superintendent Holz of New York that an unsatisfied judgment fund be set up in that state to pay for damage done by uninsured motorists.

The alliance companies recommended that serious consideration be given to amending a section of the New York vehicle law to provide that all motorists in the state be required to maintain financial responsibility at all times through insurance or otherwise.

John A. Buxton, chairman of Federated Mutual Implement & Hardware was elected the new alliance president. Mr. Buxton is also president of National Assn. of Mutual Ins. Companies.

The other new officers are: Vice-president, W. H. Burhop, Employers Mutual Liability; treasurer (reappointed), H. G. Kemper, Lumbermen's Mutual Casualty, and secretary (reappointed), H. F. Swanson of the alliance.

In a statement on the UJF proposal, sent in a telegram to Gov. Harriman of New York, the alliance formerly registered "vigorous opposition" to the idea. The statement said three of Mr. Holz' proposals "would unfairly burden the insured motorist with part of the heavy cost of losses caused by uninsured motorists, either through higher registration fees or through payment of larger insurance premiums because of new taxes or other obligations imposed upon insurance companies. The fourth proposal requires the state to collect money from uninsured motorists as an extra registration fee to pay for the losses they cause. This means that the state of New York would be providing what amounts to insurance coverage to uninsured motorists for the damage they cause, and would place the state of New York in the automobile liability insurance business.

"The American Mutual Alliance is unalterably opposed to all of the superintendent's proposals for creation of an unsatisfied judgment fund," the statement said. "We hold that manifestly they are against the interest of the public."

The UJ fund in New Jersey, as referred to by Mr. Holz, the alliance said, has been in operation only a few months. Large scale public opinion polls taken in New Jersey recently indicate that up to 96% of the motorists there favor an "equal responsibility" law. A New Jersey requirement that the insurers investigate and defend means that money to pay these costs

(CONTINUED ON PAGE 25)

Ky. Association Completes Program for Two-Day Meet

Commissioner Goebel of Kentucky and Louie E. Woodbury, executive committee member of National Assn. of Insurance Agents will be the featured speakers at the convention of Kentucky Assn. of Insurance Agents.

More than 600 agents and company representatives are expected to attend the two-day meeting, Nov. 21-22, at the Kentucky hotel in Louisville.

Sales clinics on fire, casualty and inland marine will be held Monday afternoon with H. C. Pfenninger, Sun state agent as general chairman. The fire clinic will consider homeowners policies, comprehensive dwelling, business interruption, increased valuation of real & personal property, and a session on the services performed by the Kentucky Inspection Bureau.

The casualty clinic will include fidelity bonds, comprehensive personal and farmers' comprehensive liability, general automobile insurance, medical payments, garage liability, allied lines.

Similarly the inland marine clinic features farm equipment and livestock floater, commercial block and various "door openers" to aid the agents in original solicitation.

The general business session on Tuesday will include the annual report of Sheridan C. Barnes, state national director, an address by David Gray of AFCO on "Easy Premium Payment Plans," and a discussion of public relations by M. J. Whitmar of the Dinerman Advertising agency of Cincinnati.

The final business session includes a panel consisting of W. R. Ratliff, safety section supervisor of the Kentucky department of revenue; Col. Charles C. Oldham, Commissioner of Kentucky State Police; John Kinniard, Commissioner of Kentucky Motor Transportation, and Jack Musselman, manager of Kentucky automobile assigned risk plan.

FOLLOWS ANNUAL MEET

St. Louis Board Withdraws from Mo. Association

The Insurance Board of St. Louis through its executive committee voted to withdraw from the Missouri Assn. of Insurance Agents, an affiliate of National Assn. of Insurance Agents. J. Boyd Hill, president of the board issued this brief formal statement: "At a meeting today the executive committee of the Insurance Board of the city of St. Louis made a resolution to withdraw all support to the Missouri Assn. of Insurance Agents effective as of Nov. 8." President Hill declines further comment. Presumably copies of the resolution will be sent to both the Missouri and national associations. The action of the executive committee brings to the show down basis, apparently, the administration and financial differences between the St. Louis and out state agents that erupted again at the recent annual meeting of the state body at Kansas City when for the second year a St. Louis agent was bypassed for the presidency. There were also decided differences as to dues and association expenditures.

The principal resolution adopted at the annual meeting last week of Missouri Assn. of Insurance Agents backed a Safe-teen program, an organization to be formed of young drivers interested in highway safety. The organization will be similar to a club formed last winter in Oregon which now has 5,000 drivers enrolled between the ages of 16 and 25. The program will be organized by the association office at Jefferson City, but local clubs will be handled by the boards in their respective cities.

Austin T. Flett, a broker with W. A. Alexander & Co. of Chicago and

(CONTINUED ON PAGE 39)

Boards OK National Fire, Conn. General Life Affiliation

Life Company Would Own 80% of Fire Insurer's Stock Under Proposal

HARTFORD—Actions looking toward the "affiliation" of National Fire of Hartford with Connecticut General Life were taken by the boards of the two insurers this week. If consummated, the negotiations will result in Connecticut General's owning 80% or more of National's stock.

It was made clear, however, that no merger of the two companies was contemplated. Each will continue to operate as a separate insurer.

Monday National's board unanimously approved the proposal. Tuesday the Connecticut General board acted and called for Dec. 20 a special meeting of stockholders to act on the proposal. The directors also voted to recommend to the stockholders an increase of Connecticut General capital stock from the present \$6 million. The new capitalization will be \$15 million if the affiliation plan is finally adopted.

The new stock will be paid for by transfer from the surplus account to capital. The par value will remain at \$10.

The Dec. 20 meeting will be asked to authorize sufficient stock to effect an exchange offer with the National Fire's stockholders. The stockholders will be asked to further increase the capital as indicated at the annual meeting in February.

National Fire's stockholders, will have the opportunity, if Connecticut General stockholders approve, to exchange their National Fire stock for Connecticut General stock. The exchange will be on the basis of 3 1/2 shares of National Fire for one share of Connecticut General.

In order to effect the affiliation holders of at least 80% of National Fire stock must agree to the exchange. Also, the Connecticut insurance commissioner must approve. A petition for approval will be presented to him shortly, in accordance with Connecticut law.

President Frazar B. Wilde of Connecticut General said Tuesday that if the plan is approved the National Fire organization, including its agency arrangements will be continued and that no change was contemplated in the Asylum avenue home office location.

The affiliation plan does not involve any change in National Fire's name or corporate structure. Stockholders of National Fire who accept the exchange offer will become stockholders of Connecticut General and Connecticut General will become the owner of 80% or more of the presently outstanding National Fire stock.

Mr. Wilde is sending a letter to all Connecticut General stockholders telling them about the proposal.

"Your directors today took action on two matters which will be of interest to you and of importance to the future of Connecticut General Life Insurance Co.," Mr. Wilde wrote. "First, your di-

(CONTINUED ON PAGE 39)

Late News Bulletins . . .

National Fire Stock Goes to \$140

The merger of National Fire and Connecticut General Life, rumors of which had been current in the market for a week or more, ran National Fire stock from the range of \$92 to \$100, where it had held steadily for a month or so, up to \$140 bid and none available at the close of business on Monday. However, there was little upward pressure on Connecticut General stock, which may have been partly due to the high price and the \$2 dividend.

The merger, it is understood, will result in the sale of 50,000 shares of National Fire stock held by Insurance Securities Trust Fund of Oakland, Cal. and 30,000 shares owned by Fire & Casualty of Connecticut, which is owned by E. Clayton Gengras, automobile distributor.

Pa. Governor Orders Compulsory Auto Study

Gov. Leader of Pennsylvania has ordered Insurance Commissioner Smith and Revenue Secretary Gleeson to ask a joint study of the problem of the uninsured motorist.

In making the announcement he said that "insurance companies are permitted to write business in this state" not as inherent right, but as a privilege granted by the people" and he refuses to tolerate insurers writing hundreds of millions of dollars of premiums in the state extending insurance against uninsured motorists in New York and denying such protection to the citizens of the state. He said 10.4% of all drivers are not insured in Pennsylvania and that he intends to solve the problem.

Potpourri of Flood Insurance Plans Being Proposed

AIA States Position on Cover, Senate Committee Holds Series of Hearings

NEW YORK—American Insurance Assn. has issued a release stating the position of stock insurance companies on current flood insurance proposals. Members of the association are prepared to make their full facilities available to the government and will cooperate if Congress enacts a program of flood indemnity and requests the aid of the business in its administration.

The AIA statement came simultaneously with a hearing in New York City on flood insurance by the Senate banking and currency committee. Other insurance organizations have indicated they are ready to take a stand on the issue. American Mutual Alliance was expected to have a witness testify before the committee at Boston Nov. 9, and Manufacturers Mutual at Providence Nov. 10. Representatives of other insurance associations will have an opportunity to be heard when the committee reassembles in Washington, D. C., after Jan. 1.

AIA states that its members believe a direct government program of relief and rehabilitation for flood victims would be more effective and more equitable than flood insurance. In view of the magnitude of government

expenditures involved in the event of a major disaster, it would seem prudent for the government to avoid fixed advance commitments in order to be in a position to use available funds most expeditiously and to the best advantage when the emergency arises.

The AIA companies believe it is impossible to tie in flood coverage with other insurance on fixed location properties, since flood disasters only occur in predictable places. Competition, they believe, would force the sale of insurance without flood coverage, and buyers would make the adverse selection.

AIA believes the government would encounter the same obstacles as an insurer if it undertook a program of specific flood indemnity by means of insurance on a self-sustaining basis. And, any government promise of indemnity on a non-self-sustaining basis is relief under the guise of insurance.

The association stated that flood control and prevention, rather than insurance, indemnity or relief, are of far greater importance to potential flood victims, especially when the many forms of irremediable losses are taken into consideration.

At the Senate committee hearing here Frank Crystal, president of the insurance brokerage firm bearing his name, proposed that the cost of flood damage, or damage by nuclear explosions, be met with a federal disaster tax which would be added to income tax returns. Under his proposal, the tax would be levied on all owners of homes, commercial structures, industrial plants and other facilities.

Gov. Harriman, appearing at the hearing, said national flood insurance should be designed to attract businesses

(CONTINUED ON PAGE 33)

Pittsburgh Club Elects Fiand Head

At its 30th annual meeting and banquet, Insurance Club of Pittsburgh elected William C. Fiand of Crum & Forster president, Merle D. Jordan of Thomson & Sproull vice-president, J. E. Hartmann of American Casualty treasurer (reelected), and Louis A. Farber of Royal-Liverpool secretary.

New directors are Ellis R. Boyd of Rogal Co., Paul K. Garver of America Fore, Joseph H. Kronz of National Union, Leo L. Leonard, attorney, A. V. McMillan of Home, and William E. Stumpf of American Automobile and Associated Indemnity.

NAII Group Meets With Menefee of La. to Study Ways of Cutting Costs

At the request of George H. Menefee, chairman casualty and surety division of Louisiana Insurance Rating Commission, a committee of National Assn. of Independent Insurers met with Mr. Menefee in Chicago to explore ways by which the costs of doing business in Louisiana could be reduced.

Mr. Menefee said his principal concern is to provide lower rates and expense reduction is an important factor in achieving this aim.

There was agreement that under today's conditions there are some identifiable audit functions carried to an unnecessary and uneconomic extreme. It was also agreed to explore the possibilities of simplification or elimination of other time-consuming and expensive functions.

While Mr. Menefee's invitation was issued to several bureaus and associations in the casualty and surety field, NAII is the first organization to meet with Mr. Menefee.

Robert N. Emmich has joined his father, Maurice Emmich, Vicksburg, Miss., local agent, in the Emmich agency there. He recently returned from military service.

Atomic Energy Cover Hinges on Two Big Questions

Conference Develops Other Points; New York Issues New Worker Regulation

A full program of discussion of all phases of atomic energy and its peacetime uses, including the insurance problems, was presented in New York by National Industrial Conference Board. At the same time New York state labor department released its regulations for protecting workers from on-the-job hazards of atomic energy and other radiation, which is said to be the first comprehensive state safety code in this field.

The transition from a statutory monopoly to a regulated industry has created difficult administrative and legal problems for the atomic energy commission, William J. Satterfield Jr., chief of the insurance section division of finance, atomic energy commission, told the National Industrial Conference Board.

One difficult problem and one of immediate concern, is the availability of sufficient amounts of insurance to satisfy the reasonable needs of private industry.

It was evident when industry first began to consider entering the atomic energy field that adequate insurance presented a problem, he went on. In fact, on several occasions representatives of industry have said that the solution of this problem was a must, if rapid advancement in atomic energy was to be made by private industry.

Faced with this situation, it was obvious that the insurance business and AEC must cooperate to consider ways of attacking the problem. This cooperation resulted in the formation of a group of 10 senior insurance executives who were cleared by the commission and were given information to study this problem intelligently. The group's preliminary report, which has been made public, is encouraging and indicates that insurance will be available.

This does not completely solve the problem, he indicated. Though the report of the insurance business states that public liability "can be insured by existing facilities up to the limits of liability normally available to more hazardous types of industrial enterprises," this, in the opinion of some industry people, is not a sufficient amount of insurance. It is the feeling of the industry people that greater amounts of coverage will have to be provided either by a greater effort on the part of private insurance or some sort of insurance by federal legislation.

The position of AEC he made clear, is not to undertake an insurance business. It probably would seek authority to do so only if excess coverage can be justified on the basis of a real need, and if the lack of such coverage proves to be an actual deterrent to progress in the atomic energy field. The phrase "justified on the basis of real need" points up to industry its part of the problem. What does industry feel is the "real need," translated into terms of liability limits?

He suggested a few points to which the industry might give consideration.

(CONTINUED ON PAGE 36)

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Highlights of the Week's News

Study shows value of safety belt installation	Page 15
Urges insurers to write more substandard A&H	Page 15
Shelby Mutual enters fire field	Page 19
American Surety promotes two in New York City	Page 11
Texas WC rates may increase 2.1%	Page 11
Form Illinois auto insurer as price tool for agents	Page 18
Extensions of UM cover explained	Page 10
Says group health on retired workers faces risky future	Page 6
Sees quality as chief character of agency system	Page 6
Bank crimes of violence reach 20-year high	Page 27
Maryland Casualty's night claim service a success	Page 35
California A&H Managers elect R. H. Yorks	Page 35
A. J. Stockmiller to head Pacific Fire Rating Bureau	Page 26
North British western unit moves to Kansas City	Page 26
Chicago CPCU slates conferment and forums	Page 31
Casualty actuaries to meet Nov. 17-18	Page 17
P. J. Lynch heads Chicago surety men	Page 17
Exclude 'sonic boom' loss; broaden covers in EC	Page 5
NAAI urges adoption of Wisconsin plan for young drivers	Page 3
Otto Patterson ends 37-year career with American Auto	Page 4
D. H. Miller to head AIMA	Page 4
Surplus line association organized in Texas	Page 9
H. D. Sammis retires from NAUA	Page 9
American Mutual Alliance opposes UJF for New York	Page 1
St. Louis board withdraws from Missouri association	Page 1
Boards OK National Fire Connecticut General Life affiliation	Page 1
Kentucky association completes convention program	Page 1

Independent Insurers Urge All States Adopt Wisconsin Plan for Young Driver Risks

National Assn. of Independent Insurers, at its business session during the annual meeting last week in Chicago, went on record as favoring adoption in all states of the Wisconsin plan for taking young drivers out of assigned risk pools. The approval was recommended by the assigned risk committee, which said the Wisconsin plan has been thoroughly tested and its merits demonstrated. Under the procedure, an insurer is given credit for an assignment for every

Wolverine; Robert J. McKee, Central National; Carl M. Russell, Meridian Mutual; J. G. Feinour, Pennsylvania Threshermen & Farmers' Mutual Casualty; John J. Nangle, Utilities of St. Louis; BenJack Cage, ICT of Dallas; Ward Wright, Farm Bureau Mutual of Manhattan, Kan.; Robert G. Jamieson, Detroit, Automobile Inter-Insurance

Exchange of St. Louis, and A. Grant Whitney, Belk Stores Insurance Reciprocal.

W. A. Brooks of Oregon Automobile is secretary of NAI; W. E. McKee, State Automobile of Des Moines, is treasurer, and Vestal Lemmon, general manager, holds the elective office also of assistant secretary-treasurer.

Allan L. Pither, chief underwriter in the excess and surplus lines division of Continental Casualty, gave his NAI audience some potent reasons why government control of insurance is un-

desirable. Relating his experiences in Brazil as manager at Rio de Janeiro for American Foreign Insurance Assn., Mr. Pither said the Brazilian insurance business is strictly government controlled, but even so the business makes a profit year after year. However, the rates are too high, the policy conditions are restricted, adjustments are handled by the government, and the public suffers. The insured are paying the extra tariff for insufficient coverage and are receiving disadvantageous

(CONTINUED ON PAGE 12)

"Unforeseen events . . . need not change and shape the course of man's affairs"



L. H. Grinstead, president of Beacon Mutual Indemnity, outgoing president of National Assn. of Independent Insurers, with his successor, Leo Goodwin Sr., president of Government Employees of Washington, D. C.

named insured under age 25 it takes on its own. The record in Wisconsin ending June 30, 1954, shows that in the preceding 12 months there were 13,000 new assignments and 27,000 young driver supplement credits. Most of the latter, in the absence of the plan, would have gone in the AR pool.

Leo Goodwin Sr., president of Government Employees of Washington, D.C., was elected president of NAI at the final session. He succeeds L. H. Grinstead, president of Beacon Mutual Indemnity of Columbus.

NAI also favors offering uninsured motorist coverage to assigned risks in jurisdictions where such insurance becomes available. John H. Carton, president of Wolverine, reporting as chairman of the committee on the uninsured motorist problem, said he hopes the approach of the unsatisfied claim coverage and its arbitration provisions, as offered by a majority of companies in New York, will serve as an answer to the problem.

The claims committee said members are concerned about the rash of back injuries, especially the so-called "whiplash" claims and ruptured disc and sacroiliac injuries. Fraudulent claims of this nature and others that are not clearly evaluated are costing insurers a considerable amount each year. A proposal was advanced that NAI develop certain medical information and data to assist its members, and a meeting will be held on this subject before the end of the year. C. C. Herrmann of Motor Vehicle Casualty is chairman of the committee.

The new members of the NAI board of governors are David Green, Atlantic Casualty; William E. Bowser, Zurich; Robert B. Goode, Allied Mutual Casualty of Des Moines; W. E. Howard, Kentucky Farm Bureau Mutual, and J. C. Carrington, Highway Underwriters of Austin.

There are 10 vice-presidents, and they are: Walter L. Hays, American Fire & Casualty; John H. Carton,



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Otto Patterson Ends 37-Year Career with American Automobile

Otto Patterson, board chairman of American Automobile and its subsidiaries, retired after 37 years with the company and was honored at a dinner attended by company officials, branch office chief executives and others.



Otto Patterson

Mr. Patterson, who recently observed his 65th birthday, will continue as a company director. In addition to a console high fidelity phonograph, he was presented with a message of good wishes signed by all of the company's 3,000 employees and a silver dollar embedded in clear plastic symbolizing the company's billionth premium dollar, the writing of which coincided closely with Mr. Patterson's retirement.

He began his insurance career in 1913 as claims manager for a local agency at Fort Worth. He joined the claim department of American Automobile at the home office in 1918. He moved to underwriting in 1921 and later became underwriting superintendent. He was elected vice-president in 1931 and executive vice-president in 1938.

Although carrying heavy administrative responsibility, Mr. Patterson still spent much time in the field visiting the company's production offices and attending conferences with other insurance executives. He often attended conventions of producers and insurance commissioners.

D. H. Miller Becomes Head of AIMA Jan. 1

Donald H. Miller will become president of American International Marine Agency of New York Jan. 1, when Fred Maccabe's retirement as president becomes effective. In the interim, Mr. Miller will be vice-president and acting president.



Donald H. Miller

H. Geary Gardner, who assumed temporary charge of the office when Mr. Maccabe's retirement was made known, will return to his duties as vice-president of American International Underwriters, as soon as he completes the task of turning over the management of AIMA to Mr. Miller. Mr. Gardner remains a director of AIMA.

Before assuming his new post, Mr. Miller, for 10 years, was with Talbot Bird in New York City. Prior to joining that company he was with the New York shipping firm of A. H. Bull & Co. for four years.

The Spencer-Kirkpatrick agency at Richland, Wash., has changed its name to Spencer-Kenny Insurance. Homer A. Spencer and M. Harold Kinney, partners, purchased the interest of M. L. Kirkpatrick last July and continued the operation of the agency at 1385 Washington way. R. Spence McCartney has joined the firm as an agent.

Exclude 'Sonic Boom' Loss, Broaden other Covers in EC

Important changes in extended coverage, recommended by Inter-Regional Insurance Conference, have already gone into effect in a number of states and probably will become general within a short time. The two major changes are in the explosion section, one making it clear that the so-called "sonic boom" is not an explosion within the meaning of this section and the other modifying the exclusion of steam boilers to make the endorsement cover damage from explosion of a steam boiler in the same building, as long as the insured does not own or operate the boiler.

Arguments about the coverage of damage from shock waves set up by aircraft breaking the sound barrier have been going on for several years. The new language apparently settles the argument by adding to the paragraph in the explosion section beginning "The following are not explosions within the intent or meaning of these provisions:" The expression "concussion, unless caused by explosion." The older exclusions in this section—electrical arcing, water hammer and rupture or bursting of water pipes—are unchanged.

In most states, it has been clear that these "sonic boom" claims often involving breakage of windows and other glass from these waves are not covered by the aircraft damage section, since it is restricted to loss resulting from actual physical contact of an aircraft or vehicle with the insured property. However, the "sonic boom" claims may be covered in Pacific Coast states, where there is no such restriction to actual physical contact. However, in states where the restrictions in both the explosion and the aircraft damage sections are in effect, these losses should not be covered under either section.

The new steam boiler exclusion in the explosion section states, "This company shall not be liable for loss by explosion, rupture or bursting of: (a) steam boilers, steam pipes, steam turbines or steam engines; or (b) rotating parts of machinery caused by centrifugal force; if owned by, leased or actually operated under the control of the insured." In effect, this drops the old additional qualification, "or located in the building(s) described in this policy." Thus, a tenant in a multiple occupancy building is now covered against damage from explosion

of a steam boiler operated by the landlord, even though it is located in the same building.

The expression "caused by centrifugal force," after "rotating parts of machinery" is also new. This modifies the exclusion in the insured's favor to cover explosion of movable parts rotating at low speed.

The exclusion of consequential damage in the riot section has been strengthened by adding the term "humidity," thus making it exclude "loss resulting from damage to or destruction of the described property owing

to change in temperature or humidity or interruption of operations, whether or not such loss is covered by this policy as to other perils." The older exclusion had been in the extended coverage endorsement for many years, the whole exclusion being directed at consequential loss caused by rioters or sit-down strikers turning off heating, refrigerating, air conditioning or other machinery.

The term "water" has been dropped from the wind-driven rain condition of the wind-storm section. This part of the new endorsement states that it

does not cover damage to the interior of the building or to insured property within the building "by rain, snow, sand or dust, whether driven by wind or not, unless the building covered or containing the property covered shall first sustain an actual damage to roof or walls by the direct force of rain or hail..." In territories where radio and television antennas aren't covered against windstorms, the expression has been simplified to "outdoor radio and television equipment."

Minor changes have been made in the apportionment clause.



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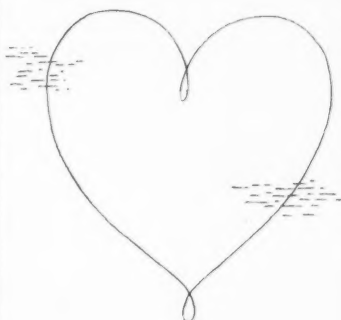
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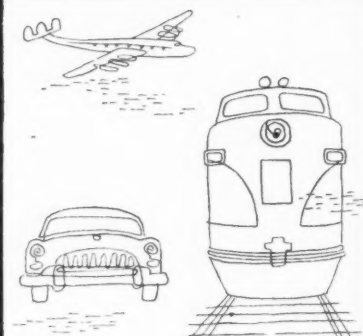
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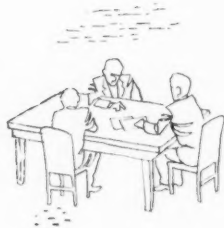
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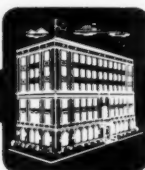
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Carson Sees Quality as Chief Character of Agency System

Stock companies and independent agents need a designation which in a word or two would properly define or survey the particular nature and character of their endeavor, Ellis H. Carson, president of National Surety and vice-president of Fireman's Fund, told the annual convention of Connecticut Assn. of Insurance Agents in Hartford.

The NAIA prize of \$2,500 for a name or slogan which will best describe the independent insurance agent is evidence of a realization that the phrase "the American agency system" has practically no acceptable meaning to the general public, and needs as much recognition as "coinsurance" or "retroactive restoration," he added.

The term "agent" is applied to salaried salesmen of direct writing companies, he noted. Therefore local independent agents must use a designation other than "agent" or find some brief, concise, and readily understood descriptive phrase that is as illuminating as it is self-explanatory. It will tax the imagination effectively to put into a word or two "that you are agents with independent contractor status representing capital stock companies which operate exclusively through such agents and brokers, and that in your independent contractor status you also act as agents of and for your customers."

It might be desirable to adapt or in part utilize words or phrases which in other usages suggest both the functions and the prestige agents are endeavoring to portray, he suggested. Such a word as "counselor" has many of these attributes. It has professional connotations, and it implies impartiality. It seems also to imply a more intimate and more positive relationship between intermediary and client than, for instance, the word "advisor." He suggested "public insurance counselor." Those agents who have secured the CPCU designation might be entitled to describe themselves further as "certified public insurance counselors."

He admitted that on the insurer side the phrase "capital stock company insurance" fails to differentiate, in the eyes of the public, such insurers from captive agency force competitors, some of which are stock companies.

Quality, he said, is a common characteristic of local independent agents and their insurers.

There is the quality of financial security to policyholders. Agents are known by the companies they keep, he observed.

A medium of distribution needs to be available. What about availability of agents in Connecticut? The yellow pages of telephone books supply part of the answer. There are some 200 agency firms in the Hartford city directory and upwards of 2,500 agents of stock companies in the state, which has 2 million population. But do the men and women comprising the families of this state regard these agents as being ready to serve them?

"The future of our kind of companies and agents lies in serving all of America," he concluded. "This is an essential ambition of all major commercial activities and we represent one of the largest. Thus, quality no longer means products or services designed for a select few.

Moreen Says Group Health on Retired Faces Risky Future

Some group health insurance plans for retired workers are working now and are not too costly, but their future performance is indefinite unless policies contain certain qualifying features, Howard Moreen, secretary of Aetna Life group division, warned the fall insurance conference of American Management Assn. in Chicago.

Qualifying features listed by Mr. Moreen include deductibles, coinsurance clauses of 25 to 33 1/3%, lifetime maximums of \$5,000, and possible charging of health benefits against group life insurance continued for the retired worker.

Mr. Moreen indicated his preference for major medical policies and suggested varying of deductibles and coinsurance features to make health insurance for the retired workers financially sound at a reasonable cost.

He said health insurance in the past offered too much first dollar benefits and not enough second dollar coverage. He warned that errors of group health coverage for active workers should not be compounded by carrying the same mistakes over into group health for the retired.

The need for group life insurance decreases as persons age, Mr. Moreen said, but for group health it increases. He also explained that the cost of group health for persons over 65 increases five times the cost of the same coverage for a worker at age 35.

While the cost of group life for the aged increases even more than the cost of health insurance, Mr. Moreen pointed out that at least a cost can be determined for group life coverage of the retired worker because of the greater experience insurers have in this field.

New Allstate Regional Office

Allstate is opening a regional office at Salem, Ore., to handle Oregon and 34 counties in southern Idaho. Bailey M. Barrett is manager. The service offices at Portland and Eugene, Ore., and Boise, Ida., have been transferred to Salem.

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Zurich Raises Young, Bigelow at Chicago

Malcolm Young, superintendent of the history department at Zurich since 1938, has been named superintendent of sales education.

Mr. Young, president of National Society of CPCU, was instrumental in establishing the CPCU educational program in Chicago, offered through Illinois Tech, and has conducted insurance courses since 1946. His entire business career has been with Zurich. Starting in the eastern department at New York City, he worked in the statistical, claim, underwriting, agency and safety engineering departments before going to Chicago in 1938.

William R. Bigelow has been advanced from assistant superintendent to superintendent of the history department. He joined the company's underwriting department at Chicago in 1949.

Davis Detroit Head of Hartford Accident

Russell K. Davis Jr. has been appointed manager at Detroit by Hartford Accident. He has been associate manager at Washington, D. C., since 1946 and succeeds Melvin M. Thweatt, who transfers to the new branch at Dallas as bond superintendent.

Mr. Davis joined the home office automobile department in 1933. Four years later he went to Washington, D. C., as an underwriter and subsequently became superintendent of the casualty department. He is a past president of Insurance Managers Assn. there, chairman of the executive committee, Insurance Rating Bureau of District of Columbia, a member of the district's commissioners traffic advisory board, and past MLG of National Capital Pond of Blue Goose.

He joined the company in 1937 as a fidelity and surety special agent in North Carolina. Before going to Detroit he was superintendent of the bond department at Cincinnati. He entered insurance as a local agent at Montgomery, Ala. He is past president of Assn. of Casualty & Surety Executives of Michigan.

Cantrell Assistant Manager of EUA

Eastern Underwriters Assn. has advanced Alan H. Cantrell from assistant secretary to assistant manager. He has been handling details of the rating methods research committee.

He joined the association in March after serving as a field man of Glens Falls in New Jersey for five years.

Another Booklet on Fiduciaries Ready

Corporate fiduciary bonds and their role in protecting the assets of estates are discussed in detail, including analyses of typical cases, in a booklet published by Surety Assn. of America. Entitled *Corporate Fiduciary Bonds—A Safeguard of Estates*, the booklet explains the duties of fiduciaries, such as executors, administrators, guardians, trustees under will, and others, and discusses safeguards which fiduciaries generally are required to have.

It also gives a step-by-step comparison to demonstrate the weakness of personal suretyship and show why it is being supplanted by corporate suretyship.

The booklet is third in a series on fiduciary bonds published by the as-

sociation. Copies may be obtained without charge from the educational department of the association, 60 John street, New York 38.

F&D Pays Claim Day After Bank Robbery

Fidelity & Deposit paid a claim of \$16,095 to the Carmel branch of Union State Bank of Westfield, Ind., the day after that amount had been stolen by two bandits. Robert D. Carnaghan, Indianapolis claims attorney of American Bonding, presented the payment to Miss Thyra Peters, cashier.

Insurance Lawyers Plan New Orleans Panel

The insurance section of American Bar Assn. will participate in the regional meeting of the association at New Orleans, Nov. 30.

Members of the section will attend a breakfast at the Roosevelt hotel at which Wyatt Jacobs, Chicago attorney, will present a paper on the reconstruction of facts and circumstances of a true automobile accident case. To illustrate points, Mr. Jacobs will use motion pictures.

R. Emmet Kerrigan, New Orleans attorney, will present a trial tactics panel with Judge Wright of the U. S. district court in New Orleans as moderator. Panelists will be Gordon R. Close of Chicago, who will discuss marshalling evidence, John L. Lancaster Jr. of Dallas, the value of a case, Welcome D. Pierson of Oklahoma City, combating the use of demonstrative evidence, and Forrest A. Betts of Los Angeles, final preparation for trial.

Insurance Women of Racine (Wis.) entertained their mothers and friends at a dinner.



How to make more Life Insurance sales to your fire-casualty clients

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Wis. Newspapers Question Figures in Fire Rate Revision

Wisconsin newspapers have taken up in earnest the revisions in fire dwelling rates announced by Commissioner Vandezande just before he left office. The new rates provide for a 5% reduction in fire rates and a 40% increase in extended coverage without the new \$50 deductible and a 20% increase in EC with the deductible. There is also allowed a 5% allowance for profit in reserves instead of 2½% as in the past.

The newspapers are all in accord in questioning the change on the basis that Mr. Vandezande did not follow the recommendations of his staff, headed by Deputy Commissioner Charles Timbers, which suggested a 17½% decrease in the fire rate, a 2½% profit allowance and a 20% increase in EC without the deductible.

What the newspapers are now pointing out is that the fire rate reduction is offset or more than offset by the increase in EC rates, and the announcement from the commissioner's office to the effect that the public would save more than \$1 million a year by reason of the change was misleading. Mr. Vandezande had prohibited his staff from commenting to the press on the rate changes, but when Paul Rogan took over he lifted that prohibition and the controversy has flared into the open. The question has now become a political issue in which the profit formula assumes some significance.

Binder Club Fetes Fredrikson, Others

Binder club of Baltimore, at its November meeting, paid special tribute to E. H. Fredrikson, resident manager of National Underwriter Co. at Philadelphia, who will retire this month. Also honored were past presidents, including F. A. Fowler, Frank Shramek, T. B. Streett, C. A. Hancock, D. B. Brettschneider, L. R. Houston, G. J. Diering Jr., A. R. Cable, A. F. Timmons and Michael O. Dakin.

N.Y. School Opens Nov. 14

The school of insurance of Insurance Society of New York will begin an agents and brokers license qualification course Nov. 14. Classes will meet Monday, Wednesday and Friday evenings from 6 to 8 p.m.

Saunders Warns Texas Auto Finance Men to Meet Standards

Pointing out that the new insurance laws in Texas lay down a set of strict standards with authority in the board of commissioners to see that requirements are met, Casualty Commissioner J. Byron Saunders told a meeting of Texas Assn. of Automobile Finance Companies at Dallas that any group offering or handling automobile insurance for the public must face the fact that there is very little room for error in determining the classification for each owner's insurance.

The "easy-going days are over," Mr. Saunders said. The new laws give the board no room to overlook infractions or tolerate bad practices simply because they have become customary. There is a new mandate for firmness "and firmness is what we are going to have."

Finance companies have no negligible interest in this change, he said, because many of them offer insurance and a fraction of them persist in practices contrary to the law. These practices involve two areas—inaccurate classification and failure to segregate insurance charges from other charges such as financing and service costs.

If the problem of classification is a problem of inexperienced personnel, the commissioner said finance companies would be well advised to initiate whatever training is necessary to cure the problem. If it is something else, "then again the cost of the cure is worth it."

The same thing applies to segregation of insurance charges. Most of the larger and more successful firms in the business are able to make this segregation and are doing it, he said, and if insurance is to be offered customers of finance companies, the customer has the legal right to know its precise cost and the board has no intention of compromising the public's rights in this regard.

"The public and legislative demand for firmness in insurance regulation and the board's own conviction that firmness is essential means quite clearly that those who participate in the insurance business to any extent or for any purpose must expect firm enforcement of the insurance laws."

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Surplus Line Assn. Organized in Texas

Texas agents licensed to write excess or surplus lines met at Austin last week to organize the Texas Surplus Line Assn. A. C. Huff of Dallas was elected chairman, and Jack R. McClelland of San Antonio was named secretary. The executive committee consists of C. T. Smelker, L. A. Partridge and Gordon J. Hall. Mr. Partridge, who is with the T. E. Braniff & Co. agency of Dallas, acted as temporary chairman.

Principal speaker was Mark Wentz, Texas fire commissioner, who said the proposed organization may relieve the department of some of its problems by drawing up "reasonable and logical methods" of procedure. He warned, however, that if the new association does not assist in providing proper regulation, "then we have no other alternative than to write the entire book of rules from within the insurance department, because we need to exercise proper supervision over excess lines, even if it means doing it the hard way, and we will not hesitate to do so."

Merrill K. Davis, manager of Utah Surplus Lines Assn., described the operation of his group, and said it has provided unified action.

There are now 79 agents licensed to write surplus and excess line business in Texas. The new association will work closely with the board of commissioners, and it is expected that through the controls of the association the state will collect more than \$1 million in additional premium taxes.

High Court Won't Take American Auto Ad Case

The U.S. Supreme Court has refused to review an appeal by the state of California in which the California attorney-general sought to revoke licenses of American Automobile and Associated Indemnity on the grounds that their national advertising tended to influence jurors.

The California case, which was won by American Auto, was brought after a juror in a damage suit tacked an American Auto advertisement on the wall of the jury room. The ad cited excessive jury awards as a cause of increased automobile liability premium rates. American Auto said the charge violated the first and 14th amendments of the constitution guaranteeing freedom of speech and press, and the state court upheld it, describing the action as a manifest attempt at restraint upon publication amounting to censorship.

Oil Assn. Names Two Assistant Managers

Oil Insurance Association has appointed Fred A. Gorham and Leroy S. Miller countrywide assistant managers at the Chicago office. Mr. Gorham will have charge of coordinated underwriting and Mr. Miller will head all engineering and field technical services.

Mr. Gorham joined Oil Association in 1931 at Chicago. After about 29 years with the group in Tulsa and Dallas, he returned to Chicago last year. During recent years he has become a specialist in the expanding natural gas transmission fields.

Mr. Miller joined the Association in 1948 at Chicago as a field engineer and the past three years has been chief engineer. He will continue in that post, assisted by H. Sam Robinson, assistant chief engineer.

17.8% Hike in Auto BI Gets OK in Okla.

Oklahoma insurance board has approved the 17.8% increase for automobile BI and PDL rates as filed by National Bureau of Casualty Underwriters. The board said it would check the figures next year and order a reduction if experience indicates the increase is too much.

The greatest increase is for owner-drivers under age 25, those rates going from \$46 to \$90 for 5/10/5. For vehicles

driven by persons under 25 the rate goes from \$46 to \$66. There is a decrease of about 20% for farmers.

The bureau applied for a rate increase of more than 18% in March, but the board rejected it because of the classification plan feature charging different rates depending upon how far the car was driven to work each day.

Hudson County (N.J.) Assn. of Insurance Agents will hold a Christmas party Dec. 14 at Hotel Plaza, Jersey City.

Sammis Retiring from NAUA in West; Arnberger Succeeds

Harold D. Sammis, Pacific coast secretary of National Automobile Underwriters Assn., will retire Jan. 1. He will be succeeded by Richard C. Arnberger, who has been assistant branch secretary since 1951.

Claude J. Hubbard will continue as assistant secretary.



No one knows better than we do that "know-how" comes from doing things . . . from learning a little more from each job done . . . from being willing to look into new opportunities for additional service.

In the same forward-looking spirit that has always been characteristic of Chubb & Son Companies, we are carrying on the tradition of service and enterprise that has been responsible for our continued growth and our ability to serve the Leaders of American Industry.



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Extensions of UM Cover Explained

The supplemental uninsured motorist filing of Fidelity & Casualty, effective Oct. 26, makes the coverage available for named operator policies issued to individuals residing in New York, and for policies issued to individual business enterprises, co-owners (other than husband and spouse), partnerships, corporations, unincorporated associations and governmental bodies. This extension includes coverage for such insured as pedestrians, as does the original cover.

The rating basis of the UM coverage is \$3 for individual insured, including husband and wife, regardless of the number of automobiles owned. For each additional designated insured the premium is another \$3. For individual business enterprises and governmental bodies the annual premium is \$3 for each person designated or \$3 for each qualified private passenger automobile insured under the policy, whichever is greater.

For individual named operator policyholders the premium is \$3 per named operator.

If coverage is added during the policy period, a pro rata charge is made, subject to a \$2 minimum premium per endorsement. Surcharges, debits or credits do not apply to the premium for UM coverage, and neither premiums nor losses are to be included in the rating experience. This includes assigned risk and financial responsibility surcharges.

If two or more private passenger automobiles are insured in different companies, UM coverage as respects injuries to persons in or upon, entering or alighting from either insured private passenger car is afforded only by the company insuring that car. For other types of accidents there would be coverage under both policies. This applies both as to original automatic coverage and to subsequently issued endorsements.

A non-resident of New York can buy the coverage only if he owns a private passenger automobile registered and principally garaged in New York and rated for automobile BI insurance at New York rates.

A resident of New York state who is not a member of a car owning family can obtain the coverage for \$3 if he uses a private passenger automobile which is registered, principally garaged and rated at New York rates for auto BI for an annual premium of \$3.

The coverage is not available by endorsement on a garage liability policy but will be as soon as certain problems relating to coverage and rating can be solved.

Ontario Agents Elect

Clare E. McVicar of Brantford, Ont., Can., was elected president of the Ontario Insurance Agents' Assn. vice-presidents are Wallace Wood of Hamilton, Alf H. Cowling of Toronto and F. B. Brisco of Chatham.

Dupignac Establishes Agency

Frank J. Dupignac of West Englewood, N. J., has established a local agency at 311 South Washington avenue, Bergenfield, N. J. He was formerly with Fireman's Fund in New Jersey.

Concrete Roofs Chicago Topic

Chicago Society of Fire Protection Engineers at a luncheon meeting Nov. 14 will hear a discussion on the use of concrete roofs for industrial buildings by Daniel P. Jenny of Portland Cement Assn. Mr. Jenny will supplement his talk with slides.

American Surety Promotes in N.Y.C.

American Surety has promoted W. R. Ehrmanntraut, who has been manager of the metropolitan branch office for many years, to resident vice-president there, and Harry D. Schmedes, assistant manager, to manager.

Mr. Ehrmanntraut started his career in 1916 when he joined American Surety's federal bond bureau in Washington, D.C. He rejoined the company after military service as an inspector in the claim department at the home office in 1920, subsequently filled many positions and was appointed manager of the metropolitan branch in 1940.

He is 1st vice-president of Casualty & Surety Club of New York, past president of New York City Casualty Managers' Assn., and of New York Surety Managers' Assn. In 1954 he was chairman of the executive committee of Insurance Federation of the State of New York, representing all segments of insurance in the fight against proposed compulsory automobile insurance.

Mr. Schmedes joined American Surety in 1922, and has served continuously since in the metropolitan branch. He is president of Surety Managers' Assn. of New York City, past secretary and treasurer of Casualty & Surety Club of New York, and a member of Surety Underwriters' Assn. of New York, and Casualty Managers' Assn. of New York City.

Sprinkler Leakage Rates Down, Forms Revised in N. Y.

New York Fire Insurance Rating Organization has revised its sprinkler leakage rules, rates and forms, effective Oct. 31, to provide broader policy coverage and reduce rates in some classes.

Sprinkler leakage contents rates for limited occupancy non-manufacturing risks are reduced by 11.1%. Rates for contents in multiple occupancy manufacturing and non-manufacturing risks have been reduced by 9.1%. Rates on existing policies bearing inception dates prior to Oct. 31 may not be adjusted on a prorata basis even with substitution of a new form.

Form F is broadened to include coverage of loss from any part of a newly installed automatic sprinkler system at no additional charge. This previously was covered by endorsement for an additional premium. Cost of repairs and replacements to the automatic sprinkler system, when the damage is caused by breakage of any of its parts resulting in sprinkler leakage, or caused by freezing is now included under the building item at no additional charge. The format of the policy has been revised to follow the one-write style of the standard fire policy and the sprinkler leakage forms redesigned to so conform.

Propose Stock Dividend for Republic of Dallas

Directors of Republic of Dallas will recommend to stockholders at the February meeting that \$1,300,000 of earned surplus be capitalized through the creation of 130,000 additional shares of stock with a par value of \$10. The new shares would be distributed as a stock dividend at the rate of one additional share for each two now held.

The directors also will propose that dividends be paid on the new stock at the rate of \$1.40 per share, or 35 cents a quarter.

The board declared its regular quarterly dividend of 40 cents per share

payable Nov. 25 to stock of record Nov. 10, and a dividend of \$1 per share on the 4% preferred stock payable Dec. 27 to stock of record Dec. 15.

National Fire Shifts Kean to New York City

John Kean Jr., superintendent of the ocean marine department of National of Hartford group at the home office, has transferred to the metropolitan department in New York City. He will supervise the production and underwriting of inland marine, ocean marine and multiple peril business.

Texas W. C. Rates May Go Up 2.1%

An average over-all increase of 2.1% in rates for workmen's compensation and employer's liability coverages is indicated from the experience gathered by the Texas department, it was stated at a department hearing in Austin.

The indicated changes are a 1.5% increase for the manufacturing group, a 5.2% increase for the contracting group, a 2% decrease for the oil group,

and an average increase of 3.1% for all other groups.

Angus McDonald, casualty deputy, stated that the policy year and calendar year data have been adjusted to eliminate any effects of trends already recognized by past rate revisions.

Callan Graham of Texas Manufacturers Assn. presented data in support of his contention that insurers are making a profit of 9.3%. He declared that the profit factor of 2.5% in the rate is not justified because the companies are realizing a satisfactory profit.

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In the community you serve, are YOU the "Protection Agent"?

An outlined figure in white is becoming famous through national advertising.

As "Protection Agent", he is making friends and writing policies where the ordinary "insurance agent" meets only resistance.

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No other insurance company today is giving you such a grand opportunity to gain stature and prestige... and business!

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Damage threatens every business, accidents every home. To conduct business or to live relaxed, you must have financial protection. Property worth owning is worth protecting. There is no other way to protect your property than by insuring it with the National Protection Agent. He represents the National of Hartford Group of insurance companies. There are bigger claims to prevent theft and fire claims to prevent damage. But should losses occur, the National man still protects you! The National Protection Agent has passed an examination, is licensed by your State. He makes a property survey for you, evaluates your risks, advises how much coverage you need. Then he writes up a policy or policies, placing them for you with an insurance company or group of companies. He has the knowledge to select companies (a) with ample resources to repay you for any loss, and (b) with a known reputation for prompt payment of claims. He's impartial. The National Protection Agent is under no obligation to insure you with the companies constituting the National of Hartford Group. Thus, any time he selects National will best serve your interests. For impartial counsel in obtaining protection, let us put you in touch with the National Protection Agent in your community. Don't do business without him!

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Executive and Administrative Offices: Hartford 15, Connecticut

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For protection on the highway,
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**Experienced Underwriting
Prompt Claims Handling
Special Engineering Service**

Home Office: Tulsa, Oklahoma

Independent Insurers Urge Spread of Wisconsin Plan

(CONTINUED FROM PAGE 3)

settlements. With this lesson in mind, Mr. Pither said, government control of insurance in the United States can only spell disaster for the insurance buying public. He said it is up to the independent companies to resist further inroads by the government "and to make certain that in the future we shall have enough freedom of action so that there will be new fields to conquer and not simply the old fenced-in government controlled fields where we will all stand around like cows and vegetate."

L. S. Harris, executive director of American Assn. of Motor Vehicle Administrators, talking on "Financial Responsibility Progress Report," said his association has been furnishing research and know-how that resulted in fixing national minimum standards for driver license examinations and for higher standards in many jurisdictions. He reviewed the work of his organization, which is primarily the establishment of uniform safety codes.

Making the Safe Driving Day campaign part of an effort in winning public understanding and support for a full year of safety on the highways was the theme of Rear Adm. H.B. Miller (ret.), director of the President's action committee for traffic safety. Stressing the insurance role, Adm. Miller said the company executives are in a position to lend effective support to their community projects.

Discussing the new legislation in Texas designed to put the companies under better regulation and to insure their solvency, Kenneth E. Ure of Highway Underwriters, said the new law as it was originally framed astounded the smaller companies. There were many features in it not acceptable to the independents, he said, and about 20 amendments were tacked on in order to get the measure straightened out.

During the time the legislation was being prepared, Mr. Ure commented, emotions ruled. The attitude of many trying to get some remedial insurance legislation through was wrong. The bill turned out to be just what the doctor ordered, but in the process of amending it, even the sponsors of the various amendments had trouble following their proposals through committees.

The Texas experience demonstrates that the insurance business is closer to being a political football than any other business, Mr. Ure observed.

At the concluding sessions Wednesday, talks were given by R. G. Jamieson, general manager of Detroit Automobile Inter-Insurance Exchange, reported last week; Ralph G. McCallum, general manager of National Assn. of Independent Insurance

Adjusters; G. C. McMillan, fire and casualty insurance department of IBM; Fenton A. S. Gentry, Southern Fire & Casualty, and national councilor to the U. S. Chamber of Commerce, and L. A. Polk, secretary of Inland Mutual of West Virginia, whose talk on personal injury to the insured under BI was reported last week.

The session also featured some brief comments by heads of domestic companies on the situations in their states involving special legislative problems or developments.

Mr. McCallum remarked that less than \$750 million was paid for adjustment expenses by 1,213 insurers last year, less than 16% of the total losses paid. The payment of more dollars for adjustment expenses would have reduced the loss payments, which totaled \$4,750,000,000, by many times the additional adjustment expenses incurred, he said.

There is still plenty of room for wise expenditure of adjusting funds, Mr. McCallum continued. If 10% of the amount paid in claims last year could have been eliminated by more and better investigations, the reduction in claim payments would have been \$475 million, and if this reduction could have been accomplished by the expenditure of \$100 million in additional adjustment expense, the companies and the public would be \$375 million better off.

Admitting this is an over-simplification, he said it serves to emphasize his point that the company should spend more of the premium dollar for adjustment expenses and less for payment of claims.

He suggested that more time and effort should go into investigation as a means of saving on claims, especially nuisance claims. Also, a great deal of excess can be taken out of automobile material damage claims if each one is inspected, evaluated and reported on.

Commercial Union-Ocean Plans Denver Service Office

Commercial Union-Ocean group will open a new mountain states service office Dec. 1 in the Boston building, Denver, for Colorado, New Mexico and Wyoming. William M. McClintock, with the group for six years and who has had both local agency and company multiple line experience, will be in charge.

The group also has a service office in the Korber building, Albuquerque, in charge of State Agent C. M. Meyer Jr.

Ohio Casualty Opens Fla. Office

Ohio Casualty has opened a service at Orlando to handle multiple line operations in Florida. Harold F. Bent is in charge of production and Carl O. Dickey is in charge of claims.



Group of commissioners photographed at the NAIH meeting by Guy Ferguson of Ferguson Personnel: From the left, Donald Knowlton of New Hampshire; Joseph Navarre of Michigan; H. Britton McConnell of California; C. Lawrence Leggett of Missouri and Thomas Pansing of Nebraska.

Ind. Commissioner Seeks to Intervene in FTC-Inter-Ocean Case

WASHINGTON—Inter-Ocean has filed an answer to the federal trade commission complaint charging the company with misleading advertising of its A&H policies, denying the charge and the FTC jurisdiction.

Meanwhile, Indiana Commissioner Davey filed with FTC a motion to intervene in the case. He said a state order has been issued prohibiting the company from using certain forms of advertising.

Mr. Davey said any FTC decision in the case will affect his state and "interpretation and application of its insurance laws."

Inter-Ocean says in its answer it is regulated by Indiana and other states in which it does business, that, therefore, it is not under FTC jurisdiction, and that FTC complaint is moot. The FTC statement relative to latest developments in the case states that advertising objected to by both authorities includes representations that advertised benefits are cumulative rather than alternative and that persons are insurable regardless of physical condition. Indiana's order prohibits statements such as, "this policy is non-cancellable," unless all advertisements state on their face that policies are renewable only at the option of the firm.

In addition to charges considered by Indiana, the FTC has complained that the firm misrepresents the number of accidents and illnesses covered and the amounts payable for surgical bills.

In his motion, Mr. Davey said a complete determination of the issues raised in the complaint cannot be made unless Indiana is made a part or permitted to intervene and be heard.

Inter-Ocean maintains it does not

engage in advertising as such but sells its insurance through agents who are furnished promotional material. This material is not misleading or deceptive, the company says.

The statements cited by the FTC as false, the firm declares, have been taken out of context, and when read in their entirety are entirely accurate, proper and true.

Set for hearing here Nov. 8 before FTC examiner Cox, was the commission's complaint against Postal Life & Casualty. J. W. Brockfield and Donald King are FTC counsel supporting the complaint.

Countersuit Brings Plaintiff \$89,300

Low Cost Flight Plan of Long Beach, L. I., sued Howard Kelem for \$2,000 damages as a result of the wrecking of a seaplane in 1950. Mr. Kelem had hired the plane and crash landed it in the ocean off Hempstead, Long Island.

However, Mr. Kelem countersued for injuries on charges that the plane had been in a defective and dangerous condition. A jury in New York supreme court has just awarded Mr. Kelem \$89,300.

Hospitals Seek Own Rates for WC Cases

North Carolina Hospital Assn. has begun talks with the state industrial commission on a proposal to allow hospitals to charge compensation patients at each hospital's published rates.

At present, the hospitals all charge the same rate schedule fixed by the commission. Spokesmen for the hospital association contend these rates, which were fixed in 1954, are inadequate. Commission Chairman J. W. Bean has asked for further data on costs and charges in hospitals in each section of the state.

Cambridge Agents Elect Perkins

Cambridge (Mass.) Assn. of Insurance Agents elected Philip R. Perkins, president; Willard D. Wood, vice-president; Carl H. Knowlton, secretary; and John Dyer and John J. Vincent, executive board members. At the annual meeting, Arthur C. Conley, general counsel of Insurance Federation of Massachusetts, was guest speaker.

Agency Gives School Car

J. Watson Beach agency of Hartford has presented a dual control car to Hartford Public High school for use in student driver training.

Employers Plans Jewelry Ad Tie-In

Employers group will tie its Christmas sales drive in with that of Jewelry Industry Council. The company will run advertising on its jewelry insurance policy in connection with the jewelry council's 14-page section in the *Saturday Evening Post*, Dec. 3. Consumers will be urged to make their gifts of jewelry truly lasting by protecting them with all risk insurance. In addition, Employers agents will use local tie-ins. The plan is believed to be the first attempted by a fire and casualty insurance group on such a scale.

Offer Ins. Corp. of Amer. Stock

Professional Investors of Indianapolis are offering 243,000 shares of \$1 par capital stock of Ins. Corp. of America of Indianapolis to residents of Indiana who are acquiring the stock for a purpose other than resale to non-residents. Authorized capital of Ins. Corp. of America is 850,000 shares of \$1 par.

Burglary Group to Hear Lock Man

George Bilhorn of Keil Lock Co. will address the Nov. 16 meeting of Chicago Burglary Underwriters Assn. This will be a dinner preceeded by a cocktail hour.



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MULTIPLE LINE COMPANY!

We have it! The real thing! Take underwriting!

SWG's account approach gives you a better

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OUR EDUCATIONAL PROGRAM FOR AGENTS is geared to meet the challenge of competition. Our Insurance and Suretyship **CORRESPONDENCE COURSES** have helped over 11,000 agents increase their knowledge and effectiveness. Our **NEW YORK OFFICE AGENTS SCHOOL** is now assisting young men and women from all over the country on their way to rewarding **PROFESSIONAL CAREERS.**

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COMPANY, LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY

Convention Dates

Nov. 13-16, Indiana Assn. of Insurance Agents, annual, Claypool hotel, Indianapolis.
Nov. 17-18, Illinois Assn. of Mutual Insurance Agents, Abraham Lincoln hotel, Springfield.
Nov. 20-22, Kentucky Assn. of Insurance Agents, annual, Kentucky hotel, Louisville.
Nov. 27-29, Illinois Assn. of Insurance Agents, annual, Edgewater Beach hotel, Chicago.
Nov. 28-Dec. 2, National Assn. of Insurance Commissioners, Midyear, Hotel Commodore, New York.
Dec. 3-4, National Assn. of Insurance Brokers, midyear, Kansas City, Mo.
Dec. 4-5, Arkansas Assn. of Insurance Agents, midyear.
Dec. 8, Louisiana Assn. of Insurance Agents, midyear, Captain Shreve hotel, Shreveport.
Dec. 8 Insurance Federation of New York, annual, Hotel Commodore, New York.
Dec. 14, Eastern Underwriters Assn., annual, Biltmore Hotel, New York.
Dec. 28-29, American Assn. of University Teachers of Insurance, annual, Hotel Roosevelt, New York.

1936

Feb. 22-24, Michigan Assn. of Insurance Agents, midyear, Sheraton-Cadillac hotel, Detroit.
Mar. 23-24, Assn. of Insurance Attorneys, annual, Atlanta, Ga.
April 5-7, Southern Agents Conference, Francis Marion hotel, Charleston, S. C.
April 8-10, National Assn. of Insurance Agents, midwest territorial conference, St. Paul.
April 8-10, Mutual Agents Assn. of New York, annual, Hotel Syracuse, Syracuse.
April 14-15, Colorado Insurers Assn., annual Broadmoor hotel, Colorado Springs.
April 16-17, Iowa Assn. of Mutual Insurance Agents, annual, Hotel Savary, Des Moines.
April 22-24, Alabama Assn. of Insurance Agents, annual, Whitley hotel, Montgomery.
April 22-25, Eastern Agents conference, annual, Hotel Statler, Hartford.
April 23-25, National Assn. of Insurance Agents, midyear, Hotel Statler, Hartford.
April 30-May 2, Chamber of Commerce of the U. S., annual, Washington, D. C.
April 30-May 2, Iowa Assn. of Insurance Agents, annual, Hotel Savary, Des Moines.
May 3-5, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Mo.
May 3-5, National Assn. of Independent Insurance Adjusters, annual, San Souci hotel, Miami Beach.
May 7-8, New York Assn. of Insurance Agents, annual, Syracuse.
May 10, Surety Assn. of America, annual, New York.
May 10-12, Florida Assn. of Insurance Agents, annual, George Washington hotel, Jacksonville.
May 13-16, H&A Underwriters Conference, annual, Hotel Statler, Boston.
May 14, National Bureau of Casualty Underwriters, annual, New York.
May 14-15, Kentucky Assn. of Insurance Agents, Western District, Kenlake State Park, Hardin.
May 14-15, Oklahoma Assn. of Insurance Agents, annual, Mayo hotel, Tulsa.
May 16-18, National Assn. of Insurance Brokers, Boston.
May 17-19, North Carolina Assn. of Insurance Agents, annual, Hotel Carolina, Pinehurst.
May 17-19, Texas Assn. of Insurance Agents, annual, San Antonio.
May 17-19, Arkansas Assn. of Insurance Agents, Arlington hotel, Hot Springs.
May 20-22, Insurance Accounting & Statistical Assn., Hotel New Yorker, New York.
May 20-23, Inland Marine Underwriters Assn., annual, Shawnee Inn, Shawnee, Pa.
May 20-23, Inland Marine Underwriters Assn., annual, Shawnee Inn, Shawnee, Pa.
May 21-22, Kentucky Assn. of Insurance Agents, Eastern District, Cumberland Falls State Park, Corbin.
May 21-23, American Assn. of Managing General Agents, annual, Shamrock hotel, Houston.
May 23, Midwestern Independent Statistical Service, annual, Bismarck hotel, Chicago.
May 23, National Automobile Underwriters Assn., annual, Roosevelt hotel, New York.
May 23-25, Georgia Assn. of Insurance Agents, annual, Oglethorpe hotel, Savannah.
May 24, National Board of Fire Underwriters, annual, Hotel Commodore, New York.
May 27-30, Virginia Assn. of Insurance Agents, annual, Hotel Chamberlin, Ft. Monroe-Old Point Comfort.
June 4-8, National Fire Protection Assn., annual, Boston.
June 11-13, South-Eastern Underwriters Assn., annual, The Homestead, Hot Springs, Va.
June 11-13, National Assn. of Mutual Insurance Agents, midyear, Claridge hotel, Atlantic City.
June 13-16, International Assn. of A&H Underwriters, Miami Beach.
June 14-16, Mississippi Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park.
July 12-14, International Assn. of Insurance Counsel, annual, Greenbrier hotel, White Sulphur Springs, W. Va.
Aug. 20-21, South Dakota Assn. of Insurance Agents, annual, Cataract hotel, Sioux Falls.
Aug. 20-24, Honorable Order of Blue Goose, International, 50th Grand Nest, Milwaukee.
Sept. 9-12, Idaho Assn. of Insurance Agents, annual, Sun Valley.
Sept. 10, Vermont Assn. of Insurance Agents, annual, Middlebury Inn, Middlebury.
Sept. 12-14, Society of CPCU, annual, Cincinnati.



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STOREKEEPERS

now get better insurance against Burglary & Robbery

✓ Recent revision of the Storekeepers Burglary & Robbery policy now makes it a still better "buy" for most merchants. Furniture and fixtures as well as money, securities and merchandise are covered. Up to \$50 in cash registers or elsewhere outside a safe is covered for burglary into the premises.

✓ Night depository and home of custodian are now covered for theft as well as burglary. These and other refinements make this "package" one that "Shelby" agents continue to use to advantage. Should you be using "Shelby" facilities?

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A company with quality, integrity and friendliness.

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PROVIDENCE WASHINGTON INDEMNITY CO.



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Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Why Insurers Should and How They Can Do More A&H by Writing More Substandard

The ultimate goal of A&H insurance should be universal coverage, or as near that as possible, properly and fairly-priced according to the degree of risk. Dr. William H. Scoins, chief medical director of Lincoln National Life, told the annual meeting of Assn. of Life Insurance Medical Directors in New York City. The business should strive to meet this obligation to the fullest extent possible, voluntarily, without coercion, on its own risk, and within the framework of a free competitive market, he said.

The failure of providing better means of protection is not in the number of plans available. Part of the fault may be in the current methods of underwriting. Perhaps these are too rigid, forcing elimination from coverage, wholly or in part, of a significant number of individuals who, by their own medical histories or findings on examination, are not standard risks. Is the A&H business willing to insure any number and variety of impaired lives? he asked. Perhaps it should review present underwriting methods to determine, if possible, their inadequacies and in what direction further advances or experiments in underwriting should be made.

In life insurance in a limited way some segments already are insuring substandard disability at standard premiums. It is a common practice in some companies to include waiver of premium for disability for all risks whose expected mortality, regardless of cause, is not in excess of 150%. This includes risks rated for conditions normally associated with protracted periods of disability. It is possible that given a recurrence of tuberculosis or of a psychoneurosis, thousands of dollars of premiums can be waived. In a narrow sense this is a measure of income replacement. Why can insurers not go a step further, contemplating disability in its broadest sense, and develop a technique of pricing the hazard of disability as they do mortality? he wondered.

With some impairments, as for example diabetes mellitus, selection would have to be of a high order and applied with great care. The heterogeneity which characterizes this impairment class demands cautious, individual underwriting. Moreover, no impairment insurers will be asked to consider is so much a disease of complications as diabetes, the prevention of which is so much up to the individual. These facts alone not only eliminate the possibility of developing a satisfactory exclusion rider, but emphasize the difficulties and dangers in experimenting with it as a risk for substandard A&H. But this impairment has its brighter side. Certainly for individual diabetics it would encourage them to

know that by careful, conscientious care they may be eligible for a type of insurance coverage heretofore denied them. Obviously individuals so impaired need the security of A&H as much as, or more than do the fortunate who are unimpaired. Insurers think it significant that this impairment class is, in itself, a source of a large number of prospective policyholders, and they find courage in the observation that the good diabetic protects himself against illness and disability and, on the average exhibits a work and attendance record as good or better than the non-diabetic.

The thought that some impairments would require both a rider and an extra premium arose when impairments such as the silent gallstone, recent non-operated cholecystitis, with or without stone, the silent non-obstructive kidney stone, and peptic ulcer with operation were contemplated. In these varied conditions the hazards of surgery, either elective or as a mandatory therapeutic procedure, and of recurrence, are most satisfactorily handled by an exclusion rider. In addition the difficulties in differential diagnosis which may arise; the secondary effects on the organ system involved which may occur; and the possibility of an adverse influence on the general physiology which may develop, present problems which are serious enough to suggest the need for an extra premium.

The biggest problem, of course, is to establish the method or means of determining how much extra premium should be charged. By what technique or techniques will the relative value of any impairment class be expressed, he asked. This brings up the broad general principle that some diseases by their natural history lend themselves well to the extra premium approach, but as well with the likelihood of relative costs for medical, surgical, or hospital care in the event of future disability.

Since there is no basic morbidity table or experience from which to start, one must inquire into the relationship, if any, between morbidity and mortality rates. Over the years there has been developed considerable data which quite accurately reflects the mortality ratios that can be expected from a number of impairments. Surely any mortality ratio above 100% of the standard expected should also be associated with an increased morbidity. If the standard A&H risk were to be assessed a morbidity ratio of 100%, cannot one add, in terms of percentage points, some multiple of the corresponding extra debits usually added to the standard expected mortality in life insurance? he asked.

It should be safe to relate morbidity

to mortality in this manner, developing factors for impairments by applying judgment, an estimate of the disability producing propensity of the impairments, and the probable nature of the cost to the company of medical, surgical, and hospital care, and of time loss thereby incurred.

He believes that the cost increment

in any extra debit developed will vary widely with different impairments.

In developing any substandard debit one must consider not only the nature of the impairment and the relative costs of future disability, but the type of coverage being purchased as well, he said. Ratings for accident loss of

(CONTINUED ON PAGE 22)

Ansul Chemical Co. Study Shows Value of Safety Belt Installation in Company Cars

Ansul Chemical Co. of Marinette, Wis., which for several years has installed safety belts in all company-owned cars, has released a study of last year's experience, which is of interest to insurers in view of recent plans of some companies to reduce rates on cars equipped with safety belts.

The Ansul cars were involved in seven serious accidents, in 1.5 million miles driven last year, and all but one driver escaped uninjured or with minor abrasions. The seventh, who was not wearing the safety belt, was hurled halfway out of the car and dragged along the highway. He died several hours later.

Ansul has had a safe driving training program for years, but has equipped its cars with safety belts similar to those used by airlines, as an extra precaution and recognition of human frailty.

According to the study, Ansul chose the Saf-Driv belt, after considerable experiment and testing of all available types. It was found that a greater measure of safety was afforded by the harness type, which fastens around the waist and shoulders, but it could become cumbersome and uncomfortable on long drives.

"The value of safety belt protection," the study reported, "lies in counteracting results of rapid deceleration. The belt holds the driver securely in the 'safety island' in the center of the car. When the car stops abruptly, as in a head-on collision, the driver is restrained from continuing forward at the car's rapid speed. Thus, impact energy is absorbed, and bodily injury held to a minimum."

The following statistics are of the seven accidents last year. The first six men listed in the table were guarded by safety belts; the seventh was not.

Driver	Type of Accident	Automobile Damage	Personal Injury	Present Condition of Driver
Sales Manager	Head-on collision	(not listed)	Blow on head	Fully recovered
Salesman	Out-of-control collision	\$700	None	
Sales Representative	Sideswiped by second car; hit ditch and rolled over	\$1,250	Two slightly bruised knees	Fully recovered
Salesman	Skidded into ditch and large boulder	\$264	None	
Salesman	Skidded on icy curve	\$288	None	
Sales Manager	Out-of-control, crashed guard rail	\$350	None	
Salesman	Head-on collision	(not listed)	Hurled from car; dragged along roadway	KILLED

D. C. Agents Oppose Association Cover

WASHINGTON—District of Columbia Assn. of Insurance Agents is investigating a letter circulated by District of Columbia Medical Society to its members relative to a new policy recommended by a committee of the society providing professional liability or malpractice coverage for its members.

The agents' association said that the interests of many member agents may be affected.

A spokesman for the medical society said the new policy is neither a master nor a group. St. Paul-Mercury Indemnity is writing the policy, he said. It will be available to individual members of the society on a voluntary basis. Other insurers competing for the business have protested, he said.

Most of this business has been written by U.S.F.&G. since 1928, the spokesman said, but a committee of the society, after a study of what was available on the market, decided that broader benefits and better protection were offered by St. Paul-Mercury. He stated that legal counsel of the society and of the company conferred with Insurance Superintendent Jordan, who "cleared" the plan.

Independent Claims Men Ready for Chicago Meet

The agenda has been completed for the winter meeting of Claims Manager Council of Independent Casualty Insurers, to be held Nov. 17-18 at the Sherman hotel, Chicago.

The first day there will be a discussion of company claims procedure by C. G. Jamison of Wabash Fire & Casualty and Palmer Benson and I. J.

Fertig of St. Paul-Mercury Indemnity. George E. Ganter, Utilities Ins. Co., will talk on automatic clauses in auto policies, and Wyatt Jacobs, Chicago insurance attorney, will tell how to combat NACCA. Guy E. Manning will describe the activities of Underwriters Laboratories, and also show a film.

Friday's session will open with a talk by Elmer W. Foster, United Fire & Casualty, on the liability of a primary insurer for judgments in excess of policy limits. A panel will then discuss the relationship of a primary insurer to the reinsurer, participants being C. E. Moul of Ohio Farmers Indemnity, E. A. Burkhard of Gulf, D. L. Reinertsen of Northwestern National Casualty, R. L. Hubbard of Bituminous Casualty and H. W. Allred of Tri-State.

Factory Mutuals Texas Committee Elects

The Texas advisory committee of Associated Factory Mutuals, meeting at Houston, elected H. M. Fugate Jr., Reynolds Metals, chairman; T. T. Redington Jr., Dresser Industries, vice-chairman, and Edward Giles Jr., Factory Mutual Rating Bureau, secretary. W. H. Clem, Schlumberger Wells Surveying Corp., committee president, presided.

Among the speakers were H. T. Freeman, president of Manufacturers Mutual Fire; E. F. Curit, Firemen's Mutual; Ambrose B. Kelly, general counsel of the Factory Mutuals, and G. A. Shattuck, Austin Manufacturers Mutual.

Managers Hear Attorney

Insurance Managers Assn. of Philadelphia heard Anthony W. Fitzgerald, counsel of Underwriter Printing & Publishing Co., at its Nov. 4 meeting at the Union League. His topic was the dangerous instrumentality concept in products liability.

McKay Joins EUA as Assistant Manager

Robert G. McKay has been named assistant manager of Eastern Underwriters Assn. to succeed Robert J. Vanderbeck, who joined Recording & Statistical Corp. in May.



Robert G. McKay

Mr. McKay was formerly a field man of Phoenix of Connecticut group in New Hampshire and Michigan. His entire career has been with that group which he joined after high school. After progressing through underwriting posts, including inland marine and special risks, he completed the multiple line training course for field work after his return from military service. He is a CPCU.

Mont. Surplus Line Men Change Night Club Class

Surplus Line Assn. of Montana has adopted and sent to Commissioner Holmes a resolution withdrawing fire insurance on unprotected night clubs and roadside taverns and on unsprinkled unprotected woodworkers as eligible for surplus line treatment as a class. From now on each risk is to be individually submitted with evidence by the agent showing it to be unacceptable to the admitted market.

Duncan to CLU-CPCU Post

Delbert J. Duncan, dean of University of Colorado school of business, author and authority on marketing, has

been appointed to council of educational advisers of American College of Life Underwriters and American Institute for Property & Liability Underwriters.

Mr. Duncan replaces Cecil Puckett, former dean of University of Denver college of business administration, who resigned to become vice-president of Federal Reserve bank of Kansas City.

McConnell Wins Point in Financial Indemnity Case

LOS ANGELES—Supreme court of California has sustained the demurrer of Commissioner McConnell to the petition for a writ of mandate and vacated the order to show cause issued by the district court of appeal in the Financial Indemnity case. The court upheld Judge Praeger's ruling that he was without jurisdiction to restrain the commissioner from filing for a conservatorship.

Delta F.&C. to Increase Capital to \$450,000

Delta Fire & Casualty, parent company of the Delta group of Baton Rouge, La., will enter the multiple line field after completion of a new capitalization. The company offered 15,000 shares to agents, employees and present stockholders before selling an additional 20,000 shares to the public beginning Nov. 1. Delta National Security Corp. is handling the public sale.

Delta stock has a par of \$10, and after the new capitalization is completed the company will have paid in capital of \$450,000 and net surplus of \$361,500.

Jack Butterick, assistant secretary of Michigan Assn. of Insurance Agents, addressed a meeting of the Grand Rapids association, discussing recent changes in the industry.

INTER



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REINSURANCE

- Excess of loss
- Pro-rata
- Catastrophe

INTER



OCEAN REINSURANCE COMPANY • CEDAR RAPIDS, IOWA

A-1

Casualty Actuaries to Meet Nov. 17-18

Casualty Actuarial Society will hold its fall meeting at the Statler Hotel in Hartford, Nov. 17-18. Dr. Thomas F. Malone, director of the weather research center of Travelers, will be the speaker Thursday afternoon. His talk will deal with the changing weather patterns and what is known about hurricanes and why they are hitting the east coast area.

Thursday evening, after a social hour and dinner at which Matthew H. McConnell will be the toastmaster, George Malcolm-Smith, author of the book *Slightly Perfect* which was presented on Broadway as *Are You With It*, and editor of *Travelers Protection*, will be guest speaker.

A business meeting will start the proceedings Friday. Seymour E. Smith, president of Travelers will address the group.

G. F. Michelbacher, president of Great American Indemnity, will speak on the multiple line principle. Notes on non-cancellable A&H ratemaking will be discussed by A. V. Fairbanks, assistant actuary of Monarch Life. E. C. Andrews of Travelers will make observations on state taxation of casualty and fire insurance companies. The development and use of the workmen's compensation injury table and the standard wage distribution table will be discussed by Barney Fratello of National Council on Compensation Insurance. Actuarial aspects of unemployment insurance is the topic of Nathaniel Gaines, actuary of Pension Planning Co.

The afternoon session will be a panel discussion on the functions a casualty actuary should perform. Dean C. A. Kulp of Wharton School, will be moderator and Harold J. Ginsburgh of American Mutual Liability, M. Stanley Hughey of Lumbermen's Mutual Casualty, and Vestal Lemmon of National Assn. of Independent Insurers will be panel members.

Warren Joins Kaiser

David Warren, district fire prevention engineer for Liberty Mutual Fire for the past 4 years, has joined Kaiser companies insurance department in Oakland as fire protection engineer. He will be responsible for coordinating fire protection design in conjunction with new construction programs of various Kaiser companies and will also supervise the existing fire protection program.

Deckard Joins Glassick

R. L. Deckard Jr., Los Angeles manager of American Foreign Insurance Assn., on Nov. 15 will join the W. B. Glassick Co. agency of Hollywood. The Glassick agency handles a good amount of foreign business. Mr. Deckard started in the business in 1940 with American Mutual Liability, becoming Omaha manager. In 1951 he went with Johnson & Higgins at Los Angeles and the following year joined AFIA and opened the Los Angeles office.

Fireman's Fund Raises Hord

John H. Hord has been appointed chief casualty underwriter in the eastern indemnity department of Fireman's Fund group.

Mr. Hord will direct and supervise casualty underwriting in New York and branch offices in the eastern department.

Associated with Fireman's Fund Indemnity since 1933, he was previously superintendent of compensation and

liability underwriting in the eastern department.

David V. Civian has joined Fireman's Fund group as a field representative for the workmen's compensation unit in San Francisco.

Mr. Civian, who will assist agents in northern California has been in insurance since 1949.

Hiers Joins Southern General

James B. Hiers Jr. has been appointed manager of the claim department of Southern General at Atlanta. For five years Mr. Hiers has been claim representative for American Surety at Atlanta.

P. J. Lynch Heads Chicago Surety Men

Chicago Surety Underwriters Assn. advanced P. J. Lynch of Standard Accident to president at its annual meeting. He succeeds L. U. LeMessurier of Employers Liability who becomes an executive committeeman.

L. W. Zuttermeister, Globe, is the new vice-president; William Davies, Travelers Indemnity, secretary, and J. E. Stevenson, Aetna Fire, treasurer.

Named to the executive committee

were Arthur F. Evans, Fidelity & Casualty; James F. Feeney, Home Indemnity; Edmond Madden, Maryland Casualty; Julian S. Neal, Fidelity & Deposit; John Hirschmann, Aetna Casualty, and L. E. Williams, Fireman's Fund Indemnity.

Mountain Addresses School

Harry M. Mountain, executive vice-president, was the principal speaker at a luncheon at the completion of the agents' multiple line training school of Aetna Fire. Twenty agents from 14 states and two Canadian provinces attended.

NOW! FOOLPROOF BURGLAR PROTECTION



FOR LESS THAN TWO CENTS A CUBIC FOOT!

Pictured in the small photo on the right is the Kidde Ultrasonic Burglar Alarm System — most efficient means of protection on the market today.

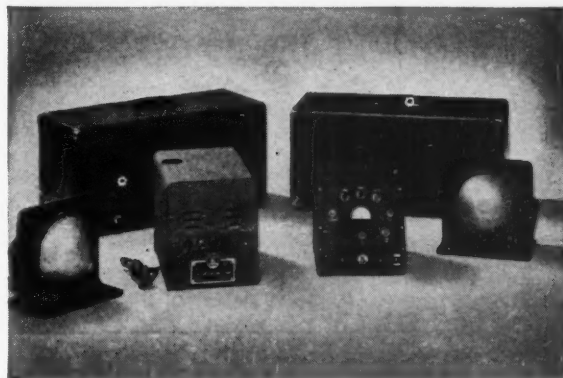
Unlike ordinary perimeter protection, the Kidde system gives complete wall-to-wall, floor-to-ceiling coverage, guarding every cubic inch of the protected area against invasion of any sort.

With the Kidde system on the job, any attempt to enter through a door or window, or by breaking through the floor or ceiling will cause an alarm to sound instantly. Tamper-proof switches thwart any sabotage, and a special device gives a warning in case power fails or is shut off.

Easy to install, simple to maintain, the Kidde system plugs into any electrical outlet, can be moved from place to place with no difficulty.

When properly installed, the Kidde Ultrasonic Burglar Alarm System qualifies for an Underwriters' Laboratories Number Two Certification.

For more information on this exciting new kind of burglar protection, send today for Kidde's new Ultrasonic Burglar Alarm Booklet or contact your U.L.-approved Central Station or local alarm company.



The basic units in this photo can protect up to 60,000 cubic feet of space at a cost of less than two cents a cubic foot, depending on physical characteristics of the protected area.

Kidde

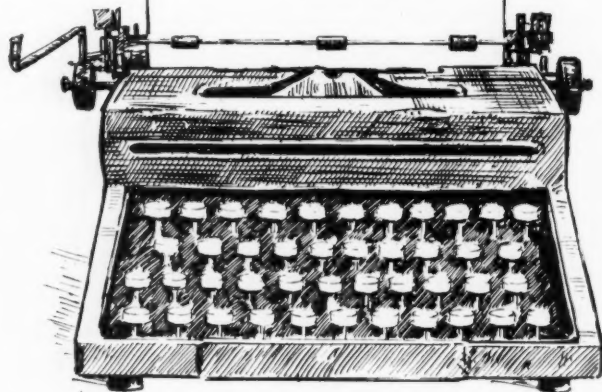


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OHIO FARMERS INDEMNITY COMPANY

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EASTERN DEPARTMENT, Philadelphia • • • PACIFIC COAST DEPARTMENT, Los Angeles

FARMERS EQUITABLE

Form Illinois Auto Insurer as Price Tool for Agents

Farmers Equitable Ins. Co. has been organized in Illinois by Motor Vehicle Casualty Co. of Elmhurst to do an automobile business much along the lines of the Safeco program.

Farmers Equitable, which has paid in capital of \$500,000 plus surplus of \$250,000, was formed as a facility for Motor Vehicle Casualty agents to help them meet automobile coverage price competition. Rates will be comparable to those charged by State Farm Mutual Auto, exclusive of the latter's membership fee.

Initially to operate in Illinois only, Farmers Equitable will write a standard automobile policy on a semi-annual basis, paying a 15% agent's commission. Operations will be strictly on the American agency system basis, with the agent retaining ownership of renewals.

The agent must collect the first semi-annual premium in cash with the application, which must be signed by the applicant. Subsequently certificates will be issued to the insured every six months, with premium payments being made directly to the home office. Thereafter insured will be notified directly 20 days before expiration, and if the premium is not paid to the home office by the due date the policy will lapse.

If Illinois agents find the services of the new company helpful, it is the intention to enter it in the other states in which Motor Vehicle Casualty operates. Officers of Farmers Equitable, the same as those of Motor Vehicle Casualty, are: C. L. Garnett, president; C. C. Herrmann, vice-president and secretary; Elden W. Link, assistant secretary and production, and Blanche Sramak, treasurer.

N. Y. C. Brokers Elect

Greater New York Insurance Brokers Assn. has elected Matthew Napear president, David D. Greif, Armand Lowell and Lawrence Goldstein vice-presidents, Maurice Loebel treasurer and William Harmelin recording secretary.

May Named by Inland Mutual

Inland Mutual of Huntington, W. Va., has appointed Russell K. May as agency supervisor. The company specializes in financial responsibility risks in 23 states. L. A. Polk is secretary and general manager.

Brown Joins Porter Adjustment

Paul H. Brown Jr., whose late father was Texas fire insurance commissioner, has joined E. B. Porter adjustment of Austin. Mr. Brown started as an adjuster with Trinity Universal, later was with Flahive adjustment of Austin, and more recently has had his own adjustment office at Killeen, Tex.

Howard J. Carswell, formerly director of public relations of Guaranty Trust Co. in New York, has joined Gartley & Associates, 68 William street there, who deal in financial public relations and share owner communications. Mr. Carswell has a wide acquaintance among insurance men in New York.

Automobile rates were discussed by Paul H. Mast, executive secretary of Wisconsin Assn. of Insurance Agents, at a meeting of the Manitowoc board.

LEADING THE PARADE NATIONAL CASUALTY COMPANY

Move ahead with National Casualty's sound protection — the finest in Disability Income, Hospitalization & Surgical coverages for the Individual, Family, Franchise or True Group case.

Establish and build your own Direct Agency—highly attractive National Casualty agency appointments in select territories now available. Write today for full particulars—Address: Accident & Health Div., National Casualty Company, Detroit 26, Michigan.

Remember—It's Easiest to Sell the Best!

Shelby Field Men Get Fire Insurance "Go Ahead" Sign

Shelby Mutual formally introduced its field men into the fire insurance business at its annual field meeting at the home office at Shelby, O. last week. L. M. Dunathan, secretary, told his interested and enthusiastic audience that this was probably the most

important company meeting any would attend. The company wrote a few policies the previous week, for officers and prominent Shelby citizens, and is now ready to go in Ohio, North Carolina, Virginia and Tennessee. Mr. Dunathan said that the company expects to be ready to go in all of the 23 states in which it operates within a reasonable time, pending approval of its filings and other legal requirements. Shelby Mutual has become a member of Transportation Insurance Rating Bureau and has either joined or is in the process of joining the fire rating bureaus of the states in which it operates. Following its casualty pattern, the company will operate on a non-participating deviation basis wherever approved, elsewhere on a dividend basis.

Mr. Dunathan and P. H. Dubuc, agency secretary, who was in charge of the meeting, repeatedly emphasized that Shelby Mutual intends to enter the fire business aggressively, but will not forget its casualty business. Its present agents are welcome to

"I've recommended you
to a friend
because I like
your service . . ."



You can serve your clients best when you are served best. This is especially true in Boiler and Machinery insurance — for in this highly technical line many specialized services are essential.

When you write Boiler and Machinery insurance with Hartford Steam Boiler you are assured of the services of specialists in each of these important phases:

1. Expert underwriting assistance by Company Special Agents and regional branch offices.
2. Field inspections by one or more Company Inspectors (there are more than 600) backed by engineering staffs. These men are skilled in uncovering conditions which might cause accidents.
3. Prompt, competent settlement of claims by this nation-wide organization.

Your clients, too, will appreciate the extra values and services they get from Hartford Steam Boiler, specialists with eighty-nine years of experience.



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is our middle name

The
**HARTFORD STEAM BOILER
INSPECTION
and INSURANCE COMPANY**

Hartford 2, Connecticut



L. M. Dunathan



P. H. Dubuc

represent it for fire insurance, but there is to be no coercion and no attempts to interfere with satisfactory relations between its agents and their present fire connections. Further, field men will be free to appoint for fire insurance desirable agents who do not need another casualty outlet but who feel that Shelby Mutual can offer them something firewise. John Stehling, Jr., manager of the new fire division, spoke at length at this session, explaining the company's underwriting policies.

There was great interest in the opening talk of L. A. Dennis, chairman, on the history of the company, which will be 75 years old next February. He traced the growth of the company and its evolution from Shelby Mutual Plate Glass through Shelby Mutual Casualty to Shelby Mutual Insurance.

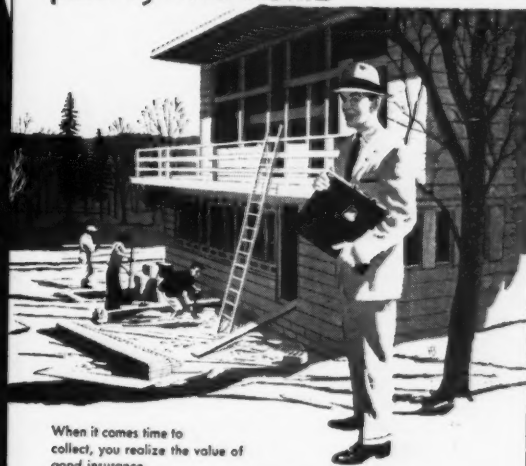
Many of those present did not know that the company was originally chartered as a fire and plate glass company and wrote a limited amount of fire insurance during the first five years of its existence, before it entered into a long era of specialization as a glass insurer. Mr. Dennis, who joined the company in 1912 as its only full time employee, compared the growth of the organization to the evolution of an automobile engine from a pioneer, one-cylinder machine to a modern one with eight powerful cylinders. The other cylinders and "spark plugs," Mr. Dennis said, were J. J. Crum, now president, Mr. Dunathan, G. S. Dennis, now vice-president, S. S. Kerr, now assistant treasurer, Mr. Dubuc, E. P. Curry, manager automobile department, and the late J. A. Anderson, for many years general counsel.

Guest speakers were Charles Pritchard, New York, who discussed Shelby Mutual's fire reinsurance arrangements and J. C. O'Connor, Cincinnati, executive editor of *Fire Casualty & Surety Bulletins*, who talked on homeowners and other package policies.

HOW
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BIG
PAY-OUT
HELPS
CONVINCE
YOUR
PROSPECTS

FOR QUALITY PROPERTY INSURANCE, SEE YOUR HOMETOWN AGENT!

the bill came to \$2,042,803,288
(Over two billion dollars)
paid by THE HOME



When it comes time to collect, you realize the value of good insurance.

Many thousands of people—homeowners, businessmen, farmers—have made this discovery about The Home Insurance Company. Through the burning of cities, windstorms and other disasters, The Home has paid—big losses and small—promptly and fairly.

The value of the services of The Home can be measured by the size of the bill—over two billion dollars paid out in losses since 1853.

Equally important have been the human, devoted and skilled services of the agents of The Home. Without them, this record could never have been attained.

For your protection, it's wise to see your own Home agent.

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ORGANIZED 1853



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Home Office: 59 Maiden Lane, New York 8, N. Y.
FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes
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The Home Insurance Company's new advertisement dramatically illustrates the point about insurance that most interests the policyholder—prompt and fair claim settlement. One of the most powerful sales factors you have working for you is the prospect's knowledge that you render the same skilled service after a loss as you do in the original selling.

This advertisement
appears in color in:

Business Week—Nov. 12

Newsweek—Nov. 14

Time—Nov. 14

U. S. News & World

Report—Nov. 25

Nation's Business—Nov.

Town Journal—Nov.

Better Homes and

Gardens—Dec.

American Home—Dec.

EDITORIAL COMMENT

The Function and Uses of the Business Press

The business man reads his favorite business paper with closer attention, greater respect and a more critical eye than he reads almost anything else except the documents which affect the welfare of his firm or organization. This is not surprising since he depends upon it to find out what is going on in the economic community where he spends most of his waking hours.

Yet even those who place great reliance upon the paper in their field often do not realize that there are several hundred other fields in which the same thing occurs, and that the business press in general has grown very substantially in size and influence in recent years.

An indication of this is contained in the growth figures for business papers during the last 15 years: Advertising income from \$64 million to \$400 million, number of papers from 1,500 to 1,900, circulation from 13½ million to 33 million. Of course the costs of producing papers steadily and substantially has increased. But on editorial expense—where management has some choice—the expenditures have increased, along with advertising income, more than five times.

The reasons for this growth and rise in quality can best be seen by examining the reasons why the business man reads his own paper.

The economic wealth of a nation is said to consist not of property but of the amount of factual knowledge possessed by a country—multiplied by its distribution. In a sense this is true. With knowledge widely held and used, the property can be (and in the U. S. constantly is being) reproduced. It is, in the U. S., also being constantly extended and improved. In no country is there a greater distribution of ownership and ownership interest than in the U. S., and in no other place is there so great a distribution of factual knowledge. In no other country are there so many businesses and, consequently, so many owners, managers, supervisors, and the like—men and women who must make decisions that materially affect their businesses. These decisions are significantly shaped by news and one reason for rapidity of decisions in American business is the rapid delivery of news—news which possesses a high degree of accuracy and that relates to matters that will affect directly or indirectly the position and welfare of a business firm, or a part of a whole business. There is another description of the reader of the business paper: He is the man who, even though he may not be an owner, nevertheless has a broad, keen interest in what is happening in his business and to its people, product and principles.

A very small percentage of those who make a living out of a business

read the business publication which serves it. Yet those who do read it are, by and large, the men who shape its destiny, who make its important decisions, who are its leaders. The circulation of a good business paper is a highly selective list in that field.

In spite of the close relationship between the business paper and those who read it and advertise in it, business men can increase their understanding of the function and uses of the business paper and make more effective and extensive use of its facilities, with profit to both the press and business.

Too many persons in any business rely upon the assumption that their firm or organization or segment of the business is important and the subject of wide attention simply because it exists, has money in the bank, does business with hundreds or thousands and has grown.

The truth is that the competition for attention has multiplied tremendously since 1940, in reading, hearing, and seeing. If the demands on attention have increased 500 or more percent in 15 years, the need for a more frequent and more persuasive business self expression is that much greater.

Generally, decisions of whether to advertise, or send out news, or otherwise catch attention, are reached where there is no competition for attention. The president or other executive works out the problem with another executive or staff member—in an office with the door closed and with few interruptions. But when the decision is made and the fact makes its appearance in the form of advertising, news release, etc., the competition becomes extremely severe. What exerted a strong pressure in the quiet conference room may suffer severe deflation in the roar of the street, subway, train and TV equipped living rooms.

In these times, even if a company or organization decides to do its utmost to command attention, it cannot get far unless it is skillful, and unless it applies intelligence consistently to the task of communication. This is particularly true in respect to the atmosphere in which sound, liveable industry decisions can be made.

A strong and energetic business paper has very much to do with the kind of atmosphere that prevails in a business. This is because the best discipline of a reasonable mind, individual or community, is adequate information correctly and fairly stated—on time.

The business paper helps materially to focus the attention of the entire business on questions that depend for their solution on community thinking and discussion. In addition to the discipline exercised by the news itself, the business paper that is doing its

job aids in defining broad problems of the business, publicizes suggested solutions and contributes to the formation of a common attitude.

Also, probably, not enough of those who take business papers read them in a way to extract their full value.

On the other hand, the business paper can advance its own cause by not assuming that because it is dealing daily with the problems of communication others who are not so engaged should understand, sui generis, communications as thoroughly as those who operate a business paper. To make the material of a business more understandable to those in it is, after all, one of the particular contributions that the business paper makes.

The business paper needs to do more of what most of them undoubtedly try to do, to develop a thorough understanding of the particular characteristics of a business and express them. Very often the business paper is the first to publicize a trend, or express a characteristic of a business in concrete form, so that its discussion enables those in a business to better understand themselves and their peculiar function.

Fortunately, perhaps, business papers are read for information and instruction; otherwise it would be proper here to add, they could make themselves more entertaining.

DEATHS

ORR G. STANLEY, 63, president of Michigan Mutual Windstorm of Hastings, died after a long illness. He had been with the company since he was elected a director in 1923. He was made vice-president in 1948 and president in 1954.

C. E. WILCOX, 46, executive vice-president of American States, was found dead at the bottom of the swimming pool at his home. Mr. Wilcox had been in ill-health and had returned home recently from the hospital. He had been with American States for 10 years.

RALPH H. LEARN, 67, who retired at the end of 1953 as secretary and assistant western manager of Aetna Fire, died at his home in Sarasota, Fla., after a long illness.

Mr. Learn was with a railroad company and an engraving company before joining Aetna in 1908 as a filing clerk in Cincinnati. He moved to Chicago when the western department was established there in 1910. From 1924 to 1929 he was special agent in Ohio, then becoming an agency supervisor at Chicago. In 1934 Mr. Learn was made assistant manager in the western department, and in 1950 he was elected secretary. He was with the company for 45 years. He was a former president of the old Insurance Club of Chicago, and was a member of the society

of Life Members of Fire Underwriters Assn. of the Northwest.

JAMES E. PHELAN, 76, Nashville local agent, died at a hospital there after a long illness.

HENRY R. HAYNES, 83, retired supervisor of agency supplies in the printing department of Aetna Fire, died at Groton, Conn. He retired in 1946 after 50 years with the company. He was one of the first employees in the printing department, which was organized in 1896.

W. E. LINDROTH, 54, manager of Western Adjustment at Des Moines and with the organization for 22 years, died of a heart attack while visiting his daughter, Mrs. R. M. Mayer at Medford, Ore. Mr. Lindroth served at Minneapolis and Sioux City before his assignment to Des Moines in 1952.

W. R. WALDROP, 83, retired local agent of Jacksonville, Fla., died there.

RAY S. WINNARD, 61, assistant secretary of Corroon & Reynolds at Philadelphia, died at his home in Merion, Pa., after a long illness. He was with Ohio Inspection Bureau at Columbus and then was special agent and state agent of Fire Association. He served as secretary of Manufacturers Casualty before joining Corroon & Reynolds in 1948.

MRS. RUTH ARMSTRONG DANNER, 67, wife of Paul R. Danner, retired vice-president and secretary of American International Re, died at Somerset, N. J., while visiting a daughter. Her home was in New York City. Mr. Danner was formerly general manager of Asia Life in the Philippines.

PERSONALS

Fred H. Sabin, assistant secretary of National Automobile Underwriters Assn. at Chicago, was married last week to Mrs. Anna M. Horne of Denver. Mr. and Mrs. Sabin will make their home in Park Ridge, Ill.

Leo B. Menner Jr., who is with Stewart, Smith (Ill.) at Chicago, was married to the former Edna Ann Conway. Mr. Menner, who entered the business in 1953, spent a year with the Haidinger & Hayes agency, Los Angeles, and completed the casualty course in Hartford. His father is executive vice-president, Stewart, Smith (Ill.).

Thomas R. Dew, vice-president of Federal, has been named chairman of the fire, casualty and marine committee of the insurance division of Manhattan business men's committee for the 1956 finance campaign of Greater New York Councils, Boy Scouts of America.

Francis W. Tyler, resident casualty adjuster of Aetna Fire group at Lake Placid, N. Y., has been appointed manager of the U. S. Olympic bob sled squad which will meet early in 1956 at Cortina, Italy. Mr. Tyler became an

THE NATIONAL UNDERWRITER

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69 John St., New York 38, N. Y.
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Assistant Editors: Edward F. Cox, John B. Lawrence, Jr. and Eloise West.

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Main 1634. Fred Baker, Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421, Tel. Liberty 2-1403. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. R. J. Wieghaus, Resident Manager.

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Associate Editors: Charles C. Clarke and William H. Faltyssek.
Assistant Editor: Edmund J. Brophy.
Editorial Assistant: Lorraine Ulrich.

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor; Arthur W. Riggs, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadis, Southwestern Manager.

DETROIT 26, MICH.—502 Lafayette Bldg., Tel. Woodward 1-2344. A. J. Edwards, Resident Manager.

ADVERTISING OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
Telephone Wabash 2-2704.
Advertising Manager: Raymond J. O'Brien.
SUBSCRIPTION OFFICE:
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 2140.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-3558. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

OFFICERS:
Howard J. Burridge, President.
Louis H. Martin, Vice-President.
Joseph H. Head, Secretary.
John Z. Herschede, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 2140.

OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Clarence W. Hamel, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. A. J. Wheeler, Pch.; Coast Manager.



Olympic world champion in 1948 as captain of the American four-man sled entry. He not only made the best time in all world competition in winning his championship at St. Moritz, Switzerland, but also holds the fastest single run time of the course. He is one of the few men chosen to represent the U. S. three times, and was captain of the 1936 and 1940 Olympic teams. He has been attached to the Albany office of the Aetna Fire group since 1945.

Forrest A. Heath, vice-president of J. S. Frelinghuysen Corp., New York City insurance brokers, has been named chairman of the current YMCA campaign to raise \$600,000 in Manhattan, Bronx and Staten Island. He is a director of Insurance Brokers Assn. of New York State.

John K. Cowperthwaite, president of Fox & Pier, New York City brokerage firm, has been appointed chairman of the insurance division of George Junior Republic for its fund raising drive. The over-all goal is \$518,692.

John T. Harrison Sr., senior partner of Flynn, Harrison & Conroy, New York City brokers, was honored at a reception marking the 35th anniversary of the firm and his 35th anniversary with it. About 350 persons attended. **Morris Slute** and **James J. Mason Jr.**, also celebrating 35 years with the firm, were also honored.

James F. Crafts, president of Fireman's Fund group, has completed 25 years with the companies. He joined the eastern department at Boston as assistant manager in 1930, and has been president since 1946. He received a commemorative gold watch to mark the occasion.

Clifford E. Bailey of L. C. Tyler & Sons agency of Bangor, Me., has been elected to city council.

Washington Rating Bureau Issues Several Revisions

Washington Surveying Rating Bureau has issued a number of revisions to general rules, farm, dwelling and general tariffs, interstate multiple location coverage and digest of fire insurance rules and forms, including: provision for use of the blanket all property school form, increase in the fire policy minimum premium to \$10, and provision for insuring furniture and fixtures and stock in a single fire division of a mercantile or non-manufacturing risk under one item without application of the average or distribution clause.

The blanket all property school form is designed to provide blanket coverage on all property within the state without naming individual locations, with a 90% or 100% average clause mandatory. The form applies only to property owned and occupied by educational institutions which maintain academic curricula, not including, secretarial, business, sport, trade or similar schools, unless operated as a part of and in connection with an institution otherwise eligible. Also not eligible are habitational, mercantile or industrial properties operated for income for instructional purposes or for housing students, faculty or school employees.

Important features of the coverage are: (a) a specified portion of the amount of insurance may be applied as extra expense insurance; (b) a specified portion of the amount of insurance may be applied to cover the property while temporarily outside of the state, subject to specified geographical limits; (c) an additional, limited amount of insurance is provided to cover cost of inventory and appraisal when, in event of loss, the in-

sured is indicated as a co-insurer; (d) the policy automatically assumes an additional, limited amount of insurance to cover property acquired during the term of the policy, subject to a time limit of 60 days from the date such property is acquired; (e) a specified portion of the amount of insurance may be applied to cover personal property of students and employees, while such property is on the school premises or while off the premises if the students or employees are engaged in activities sponsored by the school; (f) a specified portion of the amount of insurance may be applied to cover rental income of the dwellings, if any, covered under the policy; (g) in the event of small losses, the insured is not required to submit proof of loss more than once a year, provided the aggregate of such small losses does not exceed the company's proportion of \$1,000, and (h) for convenience, the provisions of the extended coverage endorsement are incorporated in the form.

Where applicable, the form may be attached to existing policies, covering eligible properties regardless of the effective date of such policies, subject to an average rate conforming to the "all property" coverage of this form and other specific provisions. Exist-

ing policies so endorsed are subject to stop-date provisions.

The term insurance privilege has also been extended to floating policies, including floater items under reporting forms.

Wis. Mutual Organizations to Hold Joint Convention

Wisconsin Federation of Mutual Insurance Companies, Wisconsin Mutual Agents Assn. and Wisconsin 1752 Club will hold a joint convention, Nov. 14-15, at the Hotel Schroeder, Milwaukee.

Speakers on the two-day program include Steven A. Parks, insurance professor at Marquette university; James Dornoff, sales manager for Pate Oil Co. at Milwaukee; C. M. Hanna, Chicago labor-management relations consultant; Arthur Steinkraus, Madison manager for Fire Insurance Rating Bureau; Martin Ravnaha, chief fire examiner for the Wisconsin department, and M. L. Landis, counsel for Central Mutual of Ohio.

The 1752 Club will sponsor a panel discussion on dwelling protection during the second day's sessions. Prof. Erwin A. Gaumnitz, dean of Wisconsin university's school of commerce, will be moderator. Panel members are: John Ryerson, West Bend Mutual state

agent; J. Leonard Henderson, assistant secretary American Mutual of Milwaukee; William B. Rowe, Midwest General agency of Beaver Dam; Harold Shier, Reitan-Lerdahl agency of Madison; W. E. Konier, secretary of Milwaukee Assn. of Mutual agents, and Lloyd E. Cole, Victora agency of Muscoda.

Offer Stock in New Ill. Insurer, Blackhawk F.&C.

A. M. Krensky & Co. of Chicago, as underwriters, has gotten out a preliminary prospectus for Blackhawk Fire & Casualty, an Illinois stock company that was incorporated in November of 1954.

The registration for the stock sale has been filed with the SEC. The offering is 179,527 shares of \$2.50 par stock to be sold at \$4. The underwriter's discount will be 75 cents a share.

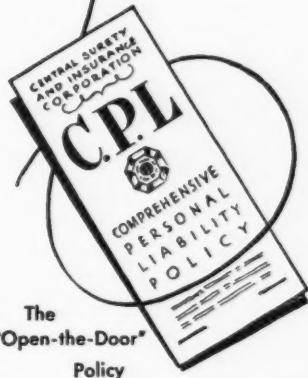
There is a merger agreement between Blackhawk Fire & Casualty and Blackhawk Mutual of Rockford, Ill. Blackhawk Mutual was set up by Town & Country agency of Rockford. Town & Country agency subscribed for 29,473 shares at \$4.50, the prospectus says.

Robert W. Kuebler is president of Blackhawk Mutual, and Norman R. Grile is vice-president.

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Study Shows Safety Belt Value in Company Cars

(CONTINUED FROM PAGE 15)

time coverages will frequently differ from those for sickness loss of time. This is a fact already recognized in present underwriting methods for many cases are presently being accepted for accident loss of time coverage while being declined for sickness loss of time coverage. This is not to say that accident coverage can always be issued at standard rates. Many impairments increase the accident hazard, either by increasing the probability of the occurrence of accidents, such as would blindness in one eye, or, more frequently, by increasing and complicating the anticipated recovery period from an accident occurring independently of the impairment.

Hospital coverages, too, will differ from loss of time coverages. Some impairments may involve significantly more or less hazard of hospitalization and medical care than is the case with the loss of time hazard. In addition, the inability to use the extended waiting period method with hospital coverages frequently requires that the two coverages be treated differently, he said.

Delaware Amends Marine Definition on Dealers

Delaware has amended the nationwide marine definition to include the inland marine classification policies applying to dealers of household appliances, office machinery and supplies, heating and air conditioning equipment, industrial machinery and tools, sporting goods, professional or scientific instruments, and marine supplies.

Ore. State Agencies May Buy Reciprocal Cover

SALEM—Counties, municipalities and state agencies may carry coverage in reciprocals if the policy is non-assessable and if there is no delegation of discretionary powers to the agent or attorney in fact, according to a ruling by Attorney General Thornton of Oregon.

GAB Changes Managers, Names Chief Adjuster

Robert H. Dickert, formerly manager of General Adjustment Bureau at Columbus, Ga., has been appointed manager at Wilmington, N.C., succeeding the late G. S. Arthur. James B. Harper, a senior adjuster at Columbus, has been named manager there. Louis F. Lyda, a senior adjuster at Macon, Ga., has been appointed adjuster-in-charge at Dublin, Ga., succeeding E. D. Saville, who has transferred to Atlanta.

Mr. Dickert joined GAB in 1946 and went to Columbus as manager in 1951. Mr. Harper joined the bureau in 1950 at Nashville and transferred to Columbus the next year.

Mr. Lyda joined GAB at Macon in 1951. The Dublin office remains under the general supervision of Elmo Wilkes, manager at Macon.

Dismiss Fla. Complaint Against London Lloyds

A market agreement has been executed by London Lloyds under which the London underwriters will not accept any Florida business unless it is effected by a licensed Florida surplus lines agent, or for insured whose head office is outside Florida in conjunction with insurance covering his property or operations outside Florida. The agreement came about after Insurance Commissioner Larson disapproved a

comprehensive general liability policy on the housing authority at Pensacola, Fla., issued by George Price, an out-of-state broker, who was not qualified as a supervisory general agent in the state to place such business. A complaint was issued against London Lloyds but dismissed after the agreement was drawn up.

N.C. Fire Rating Bureau Elects Jervey

New officers of North Carolina Fire Insurance Rating Bureau are Louis P. Jervey, vice-president and southern manager of Continental, chairman; E. N. O'Beirne Jr., secretary of Automobile, vice-chairman; Harold E. Pugh, manager of American at Greensboro, N.C., chairman of the executive committee, and Herbert C. Mathews, special agent of Hartford Fire at Raleigh, vice-chairman. New executive committee members are T. E. Cooper, state agent of Phoenix Assurance at Charlotte, J. L. Hutton, special agent of Central Mutual at Raleigh, and William Ward, state agent of North British at Charlotte.

Companies elected to the board of governors are Continental, Great American, Northwestern Mutual Fire, and U.S.F.&G.

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Worse Rhubarb than Usual at Mass. Auto Rate Hearing

Amid shouts from those opposed to the 5.1% increase in compulsory auto rates and jibes from both sides, Insurance Commissioner Humphreys of Massachusetts, hastily called a recess of the public hearing on 1956 rates, leaving the expectation that the hearing and its fiery ending would have no effect on the proposed 5.1% rate increase.

Mr. Humphreys charged that Rep. Canavan, who is leading the fight against an increase in compulsory rates, was "a regular spokesman for Allstate, which is engaged in a barefaced attempt to wreck completely or cripple compulsory auto insurance in Massachusetts for selfish, competitive purposes."

Mr. Canavan asked the commissioner to step down from his office long enough to repeat the charge as a private citizen and risk a libel suit. Mr. Canavan also accused Mr. Humphreys of being a puppet of Gov. Herter and a tool of insurance companies.

Henry S. Moser, vice-president and general counsel of Allstate, denied Mr. Humphreys' charge and said "I resent the veiled charges you have made against our company."

At another point Rep. Caggiano challenged Mr. Humphreys to "come out from behind that desk and fight in the open."

Mr. Humphreys ordered police to remove Mr. Canavan's brother, Vincent Canavan, counsel of the Canavan committee investigating insurance rates, and Rep. Canavan, but allowed both to remain.

The result of the flurry was that two of the representatives on the committee, appointed by House Speaker Skerry to investigate compulsory rates, apologized to Mr. Humphreys for the attack and said they would resign from the committee.

Mr. Humphreys and Milton G. MacDonald, department actuary, defended the proposed rates and R. A. Cutter, attorney representing casualty insurers, said the proposed automobile rates should be increased 11.3% in order to give companies income to meet anticipated losses for 1956.

Security-Connecticut 25-Year Men Meet

Quarter Century Club of Security-Connecticut group held its annual meeting at New Haven with 35 members attending. Talks were given by Peter J. Berry, president of the company, Ernest V. Goodwin, vice-president, and Raymond A. Gildea, secretary. Louis A. Strong, secretary, chairman of the committee, presided.

Diamond pins were awarded two new members, Chester E. Farrell, manager at New Orleans, and B. O. Robinson, state agent in Nebraska. Mr. Farrell joined the company in 1930 and has handled the company's operations in Louisiana since then. Mr. Robinson also went with the company in 1930 and has been in his present position since.

Aetna Casualty Has Open House at Cincinnati Office

Aetna Casualty held a luncheon and open house last week to mark the opening of its new office for the combined departments in Cincinnati. E. C. Knapp, vice-president, and R. C. Larson, field supervisor, were on hand from the home office, as well as C. L. Krum, Cleveland manager.

STORMY COUNCIL SESSION

Los Altos Delays Vote on Banning Canvassing by Insurance Agents

LOS ALTOS, CAL.—The city council meeting here that was scheduled to act on an ordinance amending barring insurance agents from making calls except on invitation adjourned after a stormy session without taking action. The next meeting will be Nov. 15.

A highly vocal audience, the largest in the council's history, alternately booed the council and cheered the speakers, who represented the insurance business, as councilmen and the mayor had belligerently baited several of the speakers.

It was not until about 10:30 p.m., when the audience had waited through several hours of routine business, that the amendment to the city's "Green River" ordinance came up for discussion. The ordinance does not now specify that insurance agents are included among those who are forbidden to make calls except upon invitation. The amendment is designed to make it clear that insurance agents are prohibited from making such calls.

Lead-off speaker for the insurance people was William J. Greene, local agent for John Hancock. Others who spoke against the proposal were R. Edwin Wood, Phoenix Mutual Life, San Francisco, legislative chairman of the California Assn. of Life Underwriters; Wallace Ott, representing Peninsula Assn. of Life Underwriters; Marvin Tepperman, representing the life agents as counsel; Francis Keesling Jr., 1st vice-president and general counsel of West Coast Life; John Riordan, San Francisco lawyer representing Metropolitan Life; Kenneth Putney, president of Sequoia Fire, and Harry Kutchins, counsel for State Farm.

La. 1752 Club Elects, Holds City Clinics

Louisiana 1752 Club elected officers at its annual meeting at Edgewater Park, Miss., and at the same time chose Robert R. Mundell to fill the vacancy in the secretary's office until the end of the year. New officers for next year are Ken Briegel of Merrimack Mutual Fire, Shreveport, president; John Rather, Mill Owners Mutual, Baton Rouge, vice-president; and Mr. Mundell of Grain Dealers Mutual, Baton Rouge.

The club has been conducting fall clinics in Baton Rouge, New Orleans and Jennings. Clinics will also be held this week at Shreveport at the Captain Shreve hotel, and Monroe at the Virginia hotel.

Thompson Joins London Assurance

John Thompson, who has been assistant to Philip Liebowitz, statistical supervisor of National Bureau, has joined London Assurance as statistician in charge of casualty accounting. Before going with National Bureau he was with Preferred Accident of New York 15 years.

Baker Advanced by American Surety

American Surety has appointed Jack H. Baker special agent at Cincinnati. He joined the company in 1947 in the Cincinnati accounting unit. He later handled underwriting of fidelity and surety bonds and in June entered the special agents' training program.

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ACCIDENT AND HEALTH

IAAHU Board Selects St. Paul for 1957, Hears Tentative Schedule

Selection of St. Paul as the 1957 convention city, an increase in the qualification requirements for the Leading Producers' Round Table, the creation of a new committee on internal relations, and the adoption of an official symbol were among decisions and actions of the board of International Assn. of A&H Underwriters meeting in Miami.

John Galloway, Provident L.A., Birmingham, interim director of the Disability Insurance Training Council, reported that 10 companies have purchased substantial blocks of advance tuition certificates for DITC courses throughout the country. He also reported that in addition to the courses now running, 10 more are scheduled to start before the end of the year, and six are in a preliminary planning stage. Courses definitely scheduled are North Carolina, Tampa, Newark, two in Michigan (Grand Rapids and Flint), Washington, D. C., St. Paul, Miami, and two in Wisconsin. Courses in the planning state are Baltimore, Charleston, W. Va., North Dakota, Orlando, and Philadelphia.

Howard Nevenon, Washington National, Los Angeles, membership chairman of IAAHU, reported an 18% increase in membership for the year to date over 1954. He stated that his studies indicate that 10% of the A&H premium in the country is being written by men who derive 90% or more of their income from A&H alone and that casualty men receive 5% or less of their income from A&H and life men about 10%.

Plans for next year's convention to be held in Miami, June 13-16, were announced and included Commissioner Larsen of Florida and Sen. Smathers as speakers. Chairman of the convention is Earle Bennett, Provident L.A., of Miami.

Qualifiers of the Leading Producer's Round Table must now be members of IAAHU not only at the time of membership application but for the entire period during which qualifying business is produced. Effective for 1957, \$10,000 annualized premiums will qualify for the bronze award; \$15,000, silver award, and \$20,000 for the gold award.

Vice-president E. J. Coffey, Mutual Benefit H.A., Portland, was named director of internal relations.

Sponsor DITC Courses in Dallas and Minneapolis

Minneapolis Assn. of A&H Underwriters began a sales training course on Nov. 4, for the twin-city area. The DITC course will meet two hours a week for 13 weeks under Arne Bruheim, Minneapolis agent for North American Mutual Casualty, instructor. Enrollment chairman is William Peterson, Pioneer Mutual, St. Paul.

Dallas has opened a DITC course with William V. Crook, educational director, Great American Reserve, as instructor. John Claiborne, manager of A&H sales, Employers Casualty, served as enrollment chairman.

Mutual Benefit H.A. Names Nicholson in South

W. F. Nicholson has been named a regional manager for the group department of Mutual Benefit H. & A. and United Benefit Life in North and South Carolina, Georgia, Alabama, Florida and Tennessee. Mr. Nicholson will take

over his new duties Nov. 15. His headquarters will be at Atlanta. He has been regional sales manager at Philadelphia since 1952. Prior to that he served as a field supervisor at Philadelphia.

United of Chicago Seeks to Sell 200,000 Shares

United of Chicago has filed with Securities and Exchange Commission a statement seeking registration of 200,000 shares of \$2.50 par common stock. The company will sell 50,000 shares and certain stockholders will sell 150,000.

R. S. Dickson & Co. and A. C. Allyn & Co. are principal underwriters. Public offering price and underwriting terms will be supplied by amendment. Net proceeds to the company of its sale of the 50,000 shares will be added to working capital to aid growth and expansion. The company will receive no part of the proceeds of the sale of stock by selling stockholders.

The prospectus lists six selling stockholders who hold a total of 376,270 of the 1,250,000 outstanding shares. They include: President J. R. Hogan, selling 30,830 shares; Chairman O. T. Hogan, 30,000; G. Blair Hiser, executive vice-president and general attorney, 29,170; Geraldine I. Penrith, 27,000; J. M. Penrith, board member, and I. Penrith, 18,000 as joint tenants, and A. D. Johnson, board member, 15,000.

The company has paid a quarterly dividend of 15 cents per share as its first payment to stockholders following a 30 for 1 stock split. Previous quarterly dividends were at the rate of seven cents per share on the new stock.

Federal Life to Stay in N. C. A&H Field

Because of assistance rendered by the North Carolina insurance department, Federal Life of Chicago has decided to remain in the A&H field in the state instead of withdrawing.

Federal Life was the only company to notify Insurance Commissioner Gold it would leave North Carolina because of the new law, effective Jan. 1, requiring notice before terminating a policy. Now, Spencer R. Keare, president, has notified Mr. Gold his company will remain and will file three A&H forms.

Mr. Keare said the decision to remain was made after Mr. Gold decided to permit the companies to attach a rider to the old policies and use a rubber stamp endorsement instead of having to file new policies containing the notice provision.

Many companies now are filing policies with the riders and endorsements Mr. Gold said.

Individual Admission Plan Urged for Milwaukee Area

MILWAUKEE—Marshall G. Ause, formerly administrator for St. Luke's Hospital here, discussed "A Milwaukee County Individual Hospital Admission Plan" at the November luncheon of Underwriters of Milwaukee. Mr. Ause was recently named chief administrator for two Brooklyn hospitals.

One of the greatest problems facing the individual policy underwriter in the Milwaukee county area is the lack of a uniform individual hospital acceptance plan for his clients, he said. When benefits resulting from a hospital claim must first be paid by a policyholder, who usually is already short of money, problems ensue.

"The Milwaukee A&H group this year plans to organize a hospital admission plan that will enable its members to compete with any other service organization providing hospital, medi-

cal and surgical care coverage. This plan, sponsored by local A&H associations, with success in other areas, makes possible the public acceptance of the field underwriter as the natural purveyor of hospital insurance.

President Thomas Callahan of Time said members had been invited to hear Edward O'Connor, managing director of Insurance Economics Society, discuss the present social security program at the Nov. 10 meeting of the Milwaukee Eagle's Club.

He also announced that DITC pilot course, which began Nov. 10, will meet every Thursday at the home office of Old Line Life, which has donated the use of a meeting room.

FTC Hearing at Omaha

The hearing on the federal trade commission complaint against Travelers Health of Omaha was scheduled to begin this week before Examiner Pack at Omaha.

A&H Group to Hear Coursey

William Coursey, director of International Assn. of A&H Underwriters, will address the Chicago A&H Assn. at a luncheon meeting, Nov. 15.

North American Veterans Meet

North American Accident of Chicago was host to 47 members of its Silver Anniversary Club this week in Chicago. Five new members who have just completed 25 years with the company were guests, and they received gifts from Jacob L. Fox, company chairman. Miss Margaret Nelson, personnel director and president of the Silver Club, presided.

Thirty-one of the club's 47 members are still with the company.

Commercial Travelers Hearing

The federal trade commission's hearing on its complaint charging Commercial Travelers Mutual Accident with false and misleading advertising of A&H policies began Tuesday before FTC Examiner Laughlin at Utica, N.Y.

Opens Virgin Islands Office

Mutual Benefit H.A. is extending its operations in the British West Indies by opening an office in the Virgin Islands. The company is already operating in Puerto Rico and the Canal Zone. Anath E. Jackson has been appointed to represent the company in the new territory. He will have headquarters in Charlotte Amalie, capital city of the island group.

FIELD

Voros Promoted in Mich.

Great American has promoted Ernest A. Voros to special agent in the Michigan field to succeed E. J. Parsons, who has resigned. Mr. Voros has been supervisor of the marine and general cover operations for Great American in Michigan.

Austin to Northwest Field

James Austin has been named special agent in Washington and Oregon for the Meserole group. He will have headquarters in the Olympic National building, Seattle.

Mr. Austin began his insurance career with Royal-Liverpool group at Liverpool, England, and moved to the United States in 1950 where he joined the Meserole group as a field man with headquarters in St. Louis.

Missouri Fire Prevention Assn. will inspect Neosho Nov. 16.

Michigan Fire Prevention Assn. inspected Trenton this week.

American Shifts Swenson to Eastern Missouri Field

Carl E. Swenson has been transferred by American from Illinois to eastern Missouri as special agent to succeed J. L. Bradshaw who is going into the local agency business in St. Louis.

Mr. Swenson has been with American since 1951 and has had experience in the western department at Rockford and has completed the advanced multiple line training school at the home office. His headquarters will be at St. Louis.

Lewis President of Ex-N.J. Field Men

Ex-New Jersey Fieldmen's Assn. held its annual dinner meeting at New York City with 26 members present. Don McClay of America Fore, chairman of Ex-New York Fieldmen's Society, was the honored guest.

New officers are S. Gage Lewis of Fire Insurance Rating Office of New Jersey, president; F. W. Mallalieu Jr. of Great American, vice-president; Carl F. Fry of Boston, secretary; and William T. Murphy of General Adjustment Bureau, treasurer.

National Union Names Dox in Me., N. H. Field

National Union has appointed William M. Dox Jr., state agent in Maine and New Hampshire. His headquarters will be at Portland.

St. Paul F.&M. Makes Iowa Field Changes

M. Toussaint has been promoted to Iowa state agent for St. Paul F.&M. under the supervision of H. P. Martin, manager of the Iowa territory.

Mr. Toussaint was formerly state agent for northeastern Iowa. He joined the company in 1927 at the home office and was transferred to Des Moines as a special agent in 1946.

Special Agent R. E. Knox will take over the territory formerly travelled by Mr. Toussaint. Mr. Knox joined the company in 1949, was transferred to Aberdeen, S.D., in 1949 and named special agent for northeast Iowa in 1953.

Agricultural Names R. K. Foster Jr. in S. C.

Agricultural has appointed R. Kelsey Foster Jr., special agent in South Carolina. He will be associated with T. E. Snelling, state agent in North and South Carolina, with headquarters at Charlotte, N. C.

Mr. Foster joined the company at the home office in January after two years with the South Carolina Inspection & Rating Bureau.

Gage Named Special Agent by Springfield F.&M. Group

Carter Gage has been appointed special agent at Los Angeles by Springfield F.&M. group. He will service agencies in the Los Angeles territory under the supervision of Manager Roy C. Bell.

He was with Pacific Fire Rating Bureau and for several years has been engaged in general agency and company underwriting and field work in the Los Angeles area.

Cameron, Tex., Inspection

Members of Texas Insurance Fieldmen's Assn. inspected Cameron recently under sponsorship of Cameron fire department and chamber of commerce.

Ranger to Adjustment Firm

Edward M. Ranger has joined Bradley-Tompkins Co. adjusters of Detroit to service all types of claims. Mr. Ranger has been special agent for

Phoenix of Hartford in Michigan and before that was with Hartford Accident.

Phoenix, Conn., Names Three Special Agents

Phoenix of Hartford group has appointed John S. Perry special agent in midwest New York, and will have headquarters with State Agent Jack Riley in Rochester. He formerly was a local agent.

The group has named Ernest G. Shaw special agent in western Pennsylvania, associated with Executive State Agent C. F. Kappert in Pittsburgh.

Andrew M. Havey becomes special agent in Maine, with State Agent Edwin C. Butcher at Portland.

Lane to Address Penn Pond Anniversary

The Penn Pond of Blue Goose at its 25th anniversary banquet in Philadelphia Nov. 28 will hear Otho E. Lane, former chairman and president of Fire Association, who has been a member of the original Wisconsin nest for 50 years. Richard A. Kenzel of Northern Assurance, past grand welder, will be toastmaster and Robert Wiseman of Washington, D. C., most loyal grand gander, will attend. Frederick W. Doremus, manager of Eastern Underwriters Assn. and one of the founders of the Penn Pond, will speak briefly.

New Hampshire Names Saul in Michigan

New Hampshire Fire group has appointed Donald O. Saul, formerly with Fidelity-Phenix, special agent in western Michigan and the eastern part of the upper peninsula. He will be located at 1114 Michigan National Bank building 77 Monroe avenue, Grand Rapids. He will serve the territory formerly served by Robert E. Blanton.

Fete Templeton, C.&F. Iowa State Agent, on Retirement

Homer Templeton, veteran Crum & Forster state agent in Iowa, who is retiring under the company's retirement plan, was honored at a luncheon at Freeport, Ill., by associates in the western department there. W. A. Seely, manager, reviewed Mr. Templeton's active insurance career.

After spending his early business life in banking and insurance, Mr. Templeton became an Iowa special agent for Crum & Forster in 1925. He served under State Agent Walter H. Faulkner, later advancing to associate state agent with C. R. Bauma on Mr. Faulkner's retirement a few years ago.

Mr. Templeton will maintain a permanent residence in Des Moines and travel extensively in Florida and on the west coast.

Wright Heads So. Cal. Fire Underwriters Assn.

Southern California Fire Underwriters Assn. at its annual meeting in Los Angeles elected Richard C. Wright, Rathbone, King & Seeley, as president; Raymond S. Swanson, New Zealand, vice-president, and Howard W. Boyd, Hartford Fire, secretary-treasurer.

H. C. Tandy of General Adjustment Bureau, was the speaker, outlining the work of GAB and showing a film.

Great American Names Samuel to Cal. Field

Jack R. Samuel has been named special agent for Great American supervising the peninsula field with headquarters at San Francisco.

Mr. Samuel joined Great American in 1954 after service in the army. He has had experience in the underwriting and other departments in San Francisco.

Mutual Alliance Opposes Idea of UJF for New York

(CONTINUED FROM PAGE 1)

charged motorists who do have insurance, the statement adds. "Under Superintendent Holz's proposal four methods are suggested to raise the \$10,700,000 he estimates it would cost to operate his plan in New York for one year. One would place the entire cost on the uninsured motorist, another would divide the cost between insured and uninsured motorists. Two others would divide the cost between insured and uninsured motorists, with a special tax on insurance companies to supply the remainder of the fund. All of them would put the state of New York in the automobile liability insurance business.

Commissioner Martin of Louisiana emphasized the need for drawing a line between state and federal jurisdiction, especially as respects the A&H business. He suggested that the program initiated by National Assn. of Insurance Commissioners at Los Angeles last June "be followed to its conclusion as originally contemplated." A com-

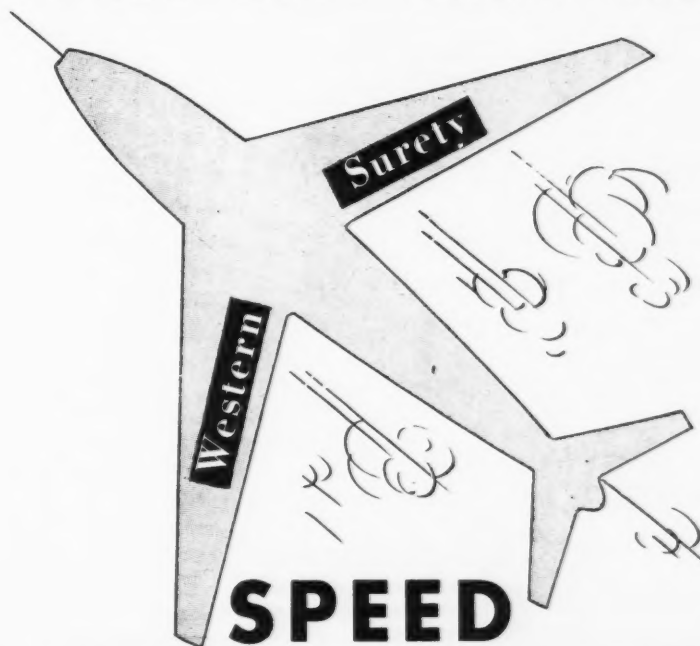


Leaders of the mutual company organizations pictured at the annual meeting of American Mutual Alliance last week at Chicago: From the left, John L. Train, Utica Mutual, president of National Assn. of Mutual Casualty Companies; John A. Buxton, Federated Mutual Implement & Hardware, new president of the Alliance; John R. Kitch, Security Mutual Casualty, president of National Assn. of Automotive Mutual Insurance Companies, and Gary H. Kamper, Badger Mutual, president of Federation of Mutual Fire Insurance Companies.

mittee of NAIC, with the industry serving in a consulting capacity should reach an agreement if possible on where the line is or should be, he suggested.

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Name Stockmier to Head Pacific Fire Rating Bureau

A. J. Stockmier, Pacific department manager for London & Lancashire, was elected president of Pacific Fire Rating Bureau at its annual meeting at Phoenix, Ariz. He succeeds Clyde M. Marshall, vice-president and Pacific department manager for Aetna Fire.

Paul F. McKown, resident vice-

president of St. Paul F.&M., was elected vice-president and Nicholas Dekker, vice-president of America Fore group, was named chairman of the governing committee. Other committee members are H. S. Coburn of Boston-Old Colony, Malcolm Cravens of Cravens, Dargan & Co., F. A. Hall of Security-Connecticut group, J. S. Hurry of Glens Falls, C. C. Lloyd of U.S.F.&G., F. H. Spencer, Commercial Union-Ocean, W. P. White Jr. of Automobile of Hartford, W. S. Jackson of Cram & Forster, L. W. Nig-geman of Fireman's Fund group, A. C. Posey of Hartford Accident, D. H.

Smith of Utah Home Fire and F. W. Sullivan of Loyalty group.

Mr. McKown, in his governing committee report emphasized the con-



C. M. Marshall



P. F. McKown

tinuing problem of credibility in the application of rate adjustments by individual occupancy class.

"The rate review committee continues to work toward a solution of the credibility problem," he said. "During the last year, several ideas were explored in an endeavor to come up with an answer. The putting together of the experience to develop larger groupings has been experimented with in different ways. Such groupings may be on the basis of occupancy, construction, geographical areas or combinations thereof. Slowly but surely, a pattern is emerging which provides every indication we are on the right track."

A. W. Gilbert, PFRB general manager, said the bureau will review its methods of rating the simple mercantile risk in an attempt to develop a schedule which will maintain the necessity of individual risk inspection together with a better method of handling hybrid structures.

Mr. Marshall criticized the adoption in California of a multiple location building and equipment credit plan for imposing a "sizeable extra load on the bureau staff." He said that "somewhere between the two extremes of those who question the advisability of a plan refined to a point of requiring only two locations and others who favor the principle but question the detail, we are hoping that the bureau can accomplish a workable interpretation of the present rules. This means a fairly rigid application of both the location and single interest requirements."

Joseph F. Morrison, vice-president of Industrial Indemnity, reviewed the role of atomic energy in American industry as a result of the new program for private ownership of reactors. "For the first time, underwriters must evaluate the hazards of reactor construction, and operation -- a field in which, up until now, they have been in complete ignorance," he said. "They must also decide whether they will make the effort to meet the demands of industry for coverage with enormous limits of liability where spread of risk will be difficult, if not impossible, at least in the early stages."

More than 144 registered for the two-day meeting which closed with the president's banquet.

N. B. Western Unit to K. C.; Tisdale, Jones in Charge

In line with its decentralization program and integration with central surety operations, North British group is moving its central-western department from the New York administrative office to Kansas City, to be known there as the western department, located in the home office building of Central Surety at 1737 McGee street. Consolidation there will be effected with the fire, allied lines and inland marine department of Central Surety.

H. V. Tisdale, who has been secretary in charge of the North British group's central-western department at New York, will head the western department and already has taken up residence in Kansas City. He has been elected a vice-president of Central Surety.

George R. Jones, newly elected an assistant secretary of North British and its four fire companies, will be assistant to Mr. Tisdale. He will also continue at Kansas City as a vice-president of Central Surety.

Mr. Tisdale entered the business in 1914 as an inspector for Michigan Inspection Bureau. Subsequently he was inspector of Western Actuarial Bureau, New England Insurance Exchange, and Security of Connecticut. He joined North British group in 1921 as Michigan special agent, becoming state agent in 1927. The following year he went to the home office as assistant general agent in the central department, of which he was made general agent in 1940 and secretary in 1946.

Mr. Jones started with Corroon & Reynolds at Kansas City, and then went with National Union Fire. He later became assistant manager, western department at Chicago, of Pacific National Fire. He joined Central Surety in 1952 and was elected a vice-president in 1953.

Blakley New Insurance Head of Chicago Tribune

Richard E. Blakley has been named manager of the (Chicago) Tribune Co. insurance department, succeeding R. F. Stephens, assistant treasurer, who held both positions. Mr. Blakley had been assistant manager of the department since 1949. Before joining the Tribune, he was with Liberty Mutual at Chicago.

Palmer Elected V-P of Lumley-Dennant

David V. Palmer has been elected vice-president and made a director of Lumley-Dennant & Co., Inc., New York, excess and surplus lines organization. Mr. Palmer came to this office in 1954 after serving 5½ years with Edward Lumley & Sons in London.

Carolina Casualty Sells 30,000 Shares

Stockholders of Carolina Casualty have approved the sale of 30,000 shares of class B non-voting stock of the company on a pro rata basis to stockholders of record Oct. 31. The stock will sell for \$10 a share and the offer is scheduled to expire Nov. 20.

George A. Martiny has been elected president of Baraboo Mutual Fire of Baraboo, Wis., to succeed the late E. D. Seals. Emil Ploenske has been named vice-president.

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Travelers Declares Extra of 10 cents

Travelers has declared an extra dividend of 10 cents per share, payable Dec. 10 to stockholders as of Nov. 11.

Continental Casualty Names Beauman in East

Continental Casualty has appointed Alfred R. Beauman as production manager at the eastern office in New York to specialize in retrospectively rated casualty lines.

Bank Crimes of Violence Reach 20-Year High; Defalcations Show Downward Trend

Bank burglars and bandits—during the past year—reached the crest of the greatest crime wave since 1935, according to Harry F. Harrington, chairman of the insurance and protective committee of American Banker's Assn. and president of Boatmen's National bank of St. Louis.

"There were 379 robberies involving a total of \$2,128,047," Mr. Harrington said in his report for the fiscal year ending Aug. 31.

The committee has reported a continued upward trend in bank crimes of violence for the past ten years—but last year's total not only set a 20-year high in the number of bank crimes of violence, but also set a new high in both the amount of cash taken in one holdup, \$312,000, and the number of lone bandit attacks, 201. "This means that seven of every 10 holdups were committed by lone bandits—three of whom were women," Mr. Harrington said.

"Statistics on crimes of violence reported during the past year show there were 223 holdups with losses totaling \$1,954,344 and 48 frustrated holdups. In addition, there were 57 burglaries involving losses of \$169,848, five night depository thefts with \$3,855 in losses, 39 attempted burglaries, two attempted night depository burglaries and five attempted night depository thefts."

During the 1954 fiscal year there were 275 bank crimes of violence involving \$1,276,958.

The report urged bankers to attend local clinics on robbery prevention conducted by FBI.

"For many years the insurance and protective committee has repeatedly emphasized the policy of 'prevention first, indemnity always' and has reminded banks that indemnity from insurance should supplement and not supplant effective measures of crime prevention," the report said. "It would seem, however, that too many banks still rely on insurance for the recovery of losses to the exclusion of real preventive measures."

The committee reported a downward trend in the number of defalcation losses in excess of \$10,000 for the first six months of 1955, but pointed out that the figures are inconclusive since many cases are concealed for a number of years.

"One of the largest and most serious of recent embezzlements was reported in July, 1955," the report stated. "It occurred in a west coast bank with total deposits of \$2.5 million and over a period of years involved \$708,000 or about 28% of total deposits. The bank is now being liquidated by Federal Deposit Insurance Corp."

"An interesting sequel to this embezzlement," Mr. Harrington said, "is the disclosure that although the bank increased its blanket bond from \$150,000 to \$300,000 on Nov. 1, 1954, the examiners have been unable to find a discovery rider which would permit the bank to recover the maximum \$300,000 from the surety company. The surety company on the bank's bond contends the rider was offered to the bank but was rejected. With the rider available at no increase in cost, insured banks certainly have everything to gain and nothing to lose by seeing that they have this rider with its additional protection attached to their blanket bonds."

The committee pointed out that it

has urged the conversion of bankers blanket bonds to a discovery basis to cover losses discovered while the bonds are in force irrespective of the dates when losses were sustained. "This conversion," it said, "seemed appropriate to simplify the problem of selecting one of several different plans of writing bankers blanket and fidelity bonds as either primary or excess coverage."

The Surety Assn. of America cooperated with the committee and adopted the discovery rider with no additional premium in September, 1954.

"This underwriting on a discovery basis," the report said, "was a departure from the long-standing principle of limiting coverage only to the amount of insurance carried when loss was sustained. In embracing the discovery basis, the underwriters departed from a principle followed for more than 40 years—or since the inception of bankers blanket bonds."

The committee pointed out that since the rider has been adopted by all domestic surety companies and Lloyds, the coverage should now be available to all banks throughout the country.

The committee reported a marked improvement in the blanket bond programs of banks during the period 1950-1954. Of the programs surveyed in 1950, 23% were below the ABA suggested ranges, 54% within the range and 23% above. In 1953, 7% were below, 65% within the range and 23% above. In 1954, 6% were below, 63% within the range and 31% above.

The committee's table of suggested minimum amounts of blanket bond coverage is reproduced below:

AMOUNTS OF BLANKET BOND COVERAGE	
Banks with Deposits of	Suggested Range of Minimum Amounts
\$	\$
Less than 300,000	10,000-20,000
300,000-500,000	20,000-30,000
500,000-750,000	30,000-40,000
750,000-1,000,000	40,000-50,000
1,000,000-1,500,000	50,000-65,000
1,500,000-2,000,000	65,000-80,000
2,000,000-3,000,000	80,000-100,000
3,000,000-5,000,000	100,000-125,000
5,000,000-7,500,000	125,000-150,000
7,500,000-10,000,000	150,000-175,000
10,000,000-15,000,000	175,000-225,000
15,000,000-20,000,000	225,000-275,000
20,000,000-25,000,000	275,000-325,000
25,000,000-35,000,000	325,000-400,000
35,000,000-50,000,000	400,000-500,000
50,000,000-75,000,000	500,000-650,000
75,000,000-100,000,000	650,000-800,000
100,000,000-150,000,000	800,000-1,000,000
150,000,000-250,000,000	1,000,000-1,500,000
250,000,000-500,000,000	1,500,000-2,000,000
500,000,000-1,000,000,000	2,000,000-3,000,000
1,000,000,000-2,000,000,000	3,000,000-5,000,000
Over 2,000,000,000	5,000,000 and up

In applying this table, banks which operate branches may deduct the total amount of deposits at all branches or the amount of deposits at the head office, whichever is the lesser. The balances in U. S. Treasury tax and loan accounts should also be eliminated from your aggregate deposits when ascertaining suggested amounts of coverage applicable to your bank.

"Coupled with the periodic improvement in bankers blanket bonds and the 10 major reductions in premium rates aggregating about 80% since April, 1936, banks should recognize that the quality of bank insurance was never so high nor the cost so low," Mr. Harrington said.

The committee plans to publish its seventh supplemental revision of The Digest of Bank Insurance early in 1956. The booklet discusses bank insurance from the buyer's viewpoint.

Insurance Women of Houston heard L. E. Davis and James Gammage of Pan American Casualty present a traffic safety program at a recent meeting. The program included a talk and a film, "Death on the Highway."

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Commissioner Robert Taylor of Oregon; Mrs. Peggy Sullivan of Western Insurance Information Service; Commissioner Harvey Combs of Arkansas, and Commissioner Arch Northington of Tennessee, at the NAIH meeting in Chicago.



Attending the NAIH parley at Chicago: William R. Ladner, treasurer of Citizens Mutual of Howell, Mich.; F. W. Bishop, secretary-treasurer of Michigan Mutual Auto, and Paul E. Buehler, vice-president of Beacon Mutual Indemnity of Ohio.



C. D. Ramm of Freeport Ins. Co. at the NAIH meeting in Chicago with Paul Jack of Vernon Casualty of Indianapolis, and his son, William Jack, and John Carton president of Wolverine and a past-president of NAIH.



Commissioner and president of National Assn. of Insurance Commissioners, and Spaulding Southall, assistant general manager of NAIH. Photograph by Guy Ferguson of Ferguson Personnel.

Hugh L. Tollock, assistant secretary of National Assn. of Insurance Commissioners, pictured at the NAIH meeting in Chicago, flanked by Commissioner Beery of Colorado, left, and Commissioner Apodaca of New Mexico.



Pictured at the independent insurers' Chicago meeting, E. K. O'Brien, New York City reinsurance specialist; K. E. Ure, general manager of Highway Underwriters, and Vestal Lemmon, general manager of NAIH.



John P. Hanna, managing director of H&A Underwriters Conference, at the NAIH convention in Chicago with E. H. Henning, president of Central Standard Life and president of Insurance Federation of Illinois.



An NAIH vice-president, David Green, president of Atlantic Casualty of Newark, pictured at the Chicago meeting with Paul J. Molnor, assistant deputy commissioner of New Jersey.



Pictured at the NAIH meeting in Chicago: From the left, M. D. Pier of Herbert Clough of New York; Sis Osborn of Central Standard Indemnity; Mrs. Reid Cloon and Reid Cloon, president of Illinois R. B. Jones.

Traffic Safety Laws Tightened in Mich

LANSING—Auto insurers are awaiting with interest the effects of a tightening of Michigan's traffic safety laws achieved during a special legislative session. The four-day session was called by Gov. Williams and its major accomplishments were in the safety field.

The legislature enacted a general maximum speed law, fixing top day-time speeds on Michigan highways at 65 miles an hour, with a 55 mph limit for night driving. The act will not be enforced until some time in February.

Appropriations were voted to finance 200 additional state police for highway patrol duty, for subsidization of a driver training program in high schools, for establishment of a traffic safety research center at Michigan State university, and for augmenting the secretary of state's staff in order to expedite full operation of a central violations bureau through which it is expected to weed out incompetent drivers. A small appropriation also was provided to finance use of national guardsmen for emergency traffic patrol duty over summer holiday week-ends. The state police commissioner also was authorized to set up standards for automobile safety belts.

Included in the driver training act is a provision which eventually will require that first-time applicants for drivers' licenses up to the age of 18 must offer proof they have completed driver training courses.

Jordan Heads Southwest Information Service

J. W. Jordan, vice-president of Commercial Standard of Fort Worth, has been elected president of Southwestern Insurance Information Service to succeed Karl F. Vasen, executive vice-president of Houston Fire & Casualty.

SIIS is a non-profit public service organization of 53 casualty companies, which is currently conducting a state-wide information and educational program.

Other officers and directors elected were: Vice-presidents: R. G. Waters, resident vice-president of Pacific Employers Insurance, Houston; John L. Freeze, assistant vice-president, Southwest General of Dallas, and E. A. Burkhard, assistant vice-president, Gulf & Atlantic of Dallas. Oran F. Needham, vice-president of Millers Mutual of Texas, was elected secretary-treasurer.

Directors elected in addition to Mr. Jordan and Mr. Waters were: T. P. Flahive, vice-president of Superior of Dallas; Earl W. Gammage, president of Pan-American F.&C.; Thomas W. Wassell, claims manager for Employers Casualty and Texas Employers Insurance Assn., Dallas; Edward C. Hilman, president of Traders & General, and Kenneth Noteware, general district manager of Hardware Mutuals, Dallas. F. Darby Hammond continues as executive secretary.

Employers National of Washington, D. C. has been licensed in California.

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New officers of Chicago Surety Underwriters Assn., pictured at the annual meeting: P. J. Lynch, Standard Accident, president; L. U. LeMessurier, Employers Liability, outgoing president; L. W. Zuttermeister, Globe Indemnity, vice-president; J. E. Stevenson, Aetna Fire, treasurer, and William Davies, Travelers Indemnity, secretary.

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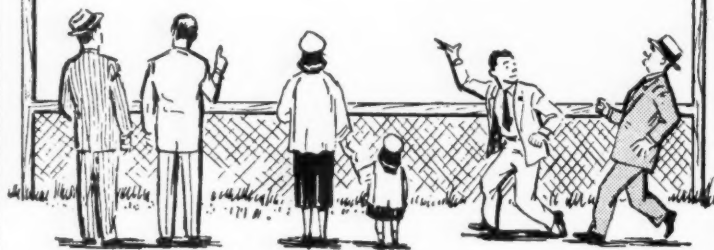
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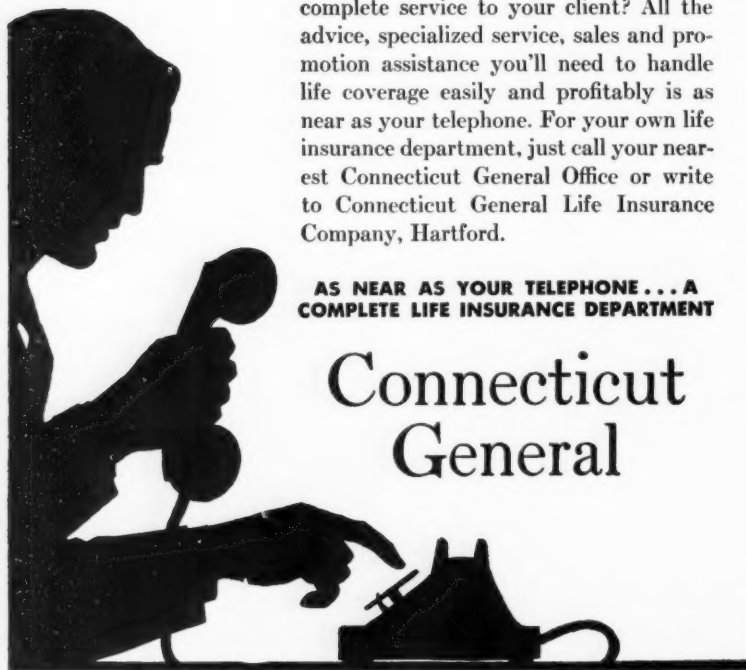


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Chicago CPCU Slates Conferment Lunch, 3 Forums on Nov. 22

Some 15 persons from the Chicago region are expected to receive CPCU designations Tuesday, Nov. 22, in the Palmer House at the annual all-industry luncheon sponsored by Chicago CPCU chapter.

Others from the Chicago area received their CPCU designations earlier this year at the national conferment in Los Angeles.

The luncheon will be preceded by three forums to begin concurrently at 10 a.m. in various rooms of the hotel. From 75 to 90 are expected at each forum and between 400 and 500 are expected at the luncheon where Richard E. Vernor, fire prevention manager of Western Actuarial Bureau, will discuss "Fire Safety Teamwork."

Topic of one of the forums is "The Port of Chicago and Ocean Cargo Insurance," under the chairmanship of W. H. Rodda, secretary of Transportation Insurance Rating Bureau. Participants will be R. M. Babbitt Jr., vice-president of the Joyce & Co. agency; C. T. Burney, supervisor of Transportation Rating Bureau, and William T. McElveen, account executive at Wine-man Bros. and general chairman of the forums committee.

"Practical Safety for Producers" is another forum topic with Otto P. Freilinger, chief engineer for W. A. Alexander & Co., as chairman. Participating will be John J. Geary, midwest supervisor of American Foreign Insurance Assn.; N. A. Kenney, underwriting supervisor, Factory Insurance Assn.; R. B. Williams Jr., special representative for Oil Insurance Assn., and Prof. John J. Ahern, Illinois Tech.

Chairman of the third forum, "Selling Methods and Public Service," is James B. Murphy, executive vice president of the E. H. Walters & Co. agency. Participating on this panel will be Frank R. Miley, assistant vice-president of W. A. Alexander & Co.; Frank A. Hohenadel Jr., Chicago broker, and Sanford H. Lederer, vice-president of Stewart, Keator, Kessberger & Lederer.

Robert W. Morse, Philadelphia, assistant dean of American Institute for Property & Liability Underwriters, will present the designations.

Aetna Casualty Sales Graduates Given Success Rules

William B. Braman, a former instructor at Aetna Casualty's sales course who earlier this year entered the local agency field, was the featured speaker at the recent graduation banquet concluding the 151st session of the course.

Mr. Braman, who was assistant director of sales training at Aetna casualty before becoming a partner in the E. H. Pierce & Co. agency of Dalton, Mass., outlined to the graduating class the job facing an agent beginning his career. To sell his services, an agent must go out in his community and gain acceptance by building a reputation based on integrity and sound advice. To do this requires constant enthusiasm and planned work on the part of the individual who desires to be successful.

Mr. Braman also pointed out that by relying on his insurance company to

back him up, and on the sound training he has received in the sales course, a salesman can serve his community successfully and at the same time make his job an enjoyable one.

The class was led by James R. Garr Jr. of Kansas City. Other winners for high scholastic standing were Stephan Pilat of Cleveland, Robert P. Newhauser of Washington, D. C., William B. Castle of Buffalo, Charles E. Dittmar of Milwaukee, and Merle V. Ross of Dyersville, Ia. Gold ribbons for demonstrating outstanding skill in soliciting techniques went to James W. Gilmour of Philadelphia, Richard J. Weghorn of New York City, Mr. Ross and Mr. Pilat.

Expect Latest Missouri Rate Case Decision to Go to State High Court

JEFFERSON CITY—Missouri supreme court undoubtedly will be asked to review the recent decision in Cole county circuit court awarding to the state escheat fund \$603,000 of money impounded from the Missouri rate case. The money represents impounded fire and wind premiums, plus interest, that 117 stock companies had been unable to refund to policyholders entitled to the money who could not be found.

John O. Bond, Jefferson City attorney representing the companies has already filed a motion seeking a new trial, and if this is denied the case will be taken to the supreme court.

Attorney-general J. M. Dalton of Missouri said 22 new suits will be filed to recover an additional \$304,000 remaining from funds impounded by the companies beginning May 28, 1930, when 139 companies brought 137 injunction suits in district court against then Superintendent J. B. Thompson and then Attorney-general Shartel to restrain them from interfering with the collection of an increase in rates for fire, wind and hail. This was the beginning of the famous Missouri rate case. Federal court in 1930 issued the injunctions the companies asked for upon stipulated conditions, including a provision that the companies could collect the increase pending the outcome of the litigation, provided that the difference represented by the increase should be deposited with a custodian until the cases were decided. Through the years the deposits aggregated about \$10 million.

In 1935 the famous "O'Malley Compromise" was adopted, allowing the companies 80% of the increase, with 20% of the impounded money to go back to the policyholders. It was subsequently determined that O'Malley and Tom Pendergast, the Kansas City political boss, had accepted bribes from a representative of the companies in order to effect the compromise. O'Malley and Pendergast were sent to federal prison for not including the money they received in their income tax returns.

When the scandal broke, Ray B. Lucas, then superintendent, filed motions in federal courts for citations against each of the companies involved in the original injunctions, and ultimately the federal court set aside its order of 1936 agreeing to the 80-20 plan and required all of the impounded premiums to be paid back to policyholders plus 6% interest. It is the balance of these funds that is involved in the 117 suits and the 22 new cases.

Hall & Kennedy agency of Jackson, Mich., has moved to new offices at 110 First street. The agency had been in the Dwight building since 1898.

Employers Re Plans Stock Split and 20% Stock Dividend

Stockholders of Employers Reinsurance at their Feb. 7 meeting will vote on a proposal to split the present stock two for one by reducing the par value from \$10 to \$5. This would be followed by a 20% stock dividend.

There are now 250,000 shares of capital stock of Employers outstanding. The proposal would make for 600,000 shares and \$500,000 would be transferred from surplus to capital.

The directors have voted the usual quarterly dividend of 50 cents payable Nov. 25 to stock of record Nov. 15.

President Frank Proper said operating results for the first nine months have been "very favorable." Underwriting and investment earnings, after taxes, amount to \$1,509,787 or \$6.04 a share as against \$5.45 a share a year ago. Earlier this year the company issued 50,000 additional shares as the result of a 25% stock dividend.

Ky. Agents To Get Commissions on Assigned WC Lines

Revisions in the workmen's compensation assigned risk plan in Kentucky have been approved by the department. One of the main features is the inclusion of a commission to agents on this business. The changes are effective Jan. 1.

The new rules cover all kinds, of assigned risk WC except coal mine business. The new plan was filed by National Council on Compensation Insurance.

Pan American to Build Addition to Home Office

Pan American group of Houston has signed a long term lease in an amount of more than \$1 million for the erection of a four-story addition to its home office building. The new structure will adjoin the present Pan American building, and when completed will give the company 72,000 square feet of space.

Michigan Mutual Liability to Absorb Affiliate

Michigan Mutual Liability will absorb its affiliate, Associated General Fire, on Nov. 30, and write both fire and casualty lines in the parent organization.

In line with the merger, the company has appointed Bruce S. Stake fire insurance manager with headquarters at St. Louis. Mr. Stake's insurance career began in 1924 and included experience as an agent, inspector, special agent, underwriter, and in home office executive positions in the midwest.

The Frank E. Marshall and George N. Kent & Son agencies of Colebrook, N.H., have merged. Curtis Klebe, president of the new corporation, will manage the agency. Offices will be in the Crawford inn.

Uncommon Stocks Are Sound Buy for Insurer Investment

Common stocks of the garden variety have little place in an insurance company portfolio, Shelby Cullom Davis, New York stock broker, said in an address before National Assn. of Independent Insurers at Chicago. However, he said, uncommon stocks, in whose future one justifiably has faith, have an increasingly important place as insurance company investments.

What should be the criteria of selection for these uncommon shares that will outperform the averages? he asked. A reasonable yield is one, but only one. In general, shares should yield more than bonds because interest on bonds is paid before dividends on the stocks. This safety factor is usually worth somewhere around 33-50% greater annual return, or about 1½%. For those insurers paying the full corporate tax rate of 52% on interest received from bonds, there is an obvious yield attraction from shares which yield even less. Dividends received from stocks are 85% exempt and the corporate rate applies to only 15%, producing an effective tax rate on dividends of 7.8%. Therefore, when the before-tax yield narrows to zero for stocks, compared with bonds, the after-tax advantage is still nearly double for stocks versus bonds, he explained.

The argument for common shares in an insurance investment portfolio rests upon two factors: The inflationary bias of the economy, which should cause a general price level advance over a period of years and create the need for additional underwriting capacity because of the consequently increased premium volume, and the growth in population and national income which should make for increased business, greater profits and higher dividends for the share owners of the great companies in the important industries of the country.

Mr. Davis said if he thought the price level in America by 1956 would be lower than today or that America was going to stop growing in population and wealth, he would not advise common stocks as investments for insurers. But he believes the opposite will be true and that common stocks should assume an increasingly important part in insurance company portfolios.

Common shares should be judged on their intrinsic value at present plus their future prospects. Common shares with an indifferent record of success, such as coal stocks, may be high even though they yield more than 6% and sell at only eight times earnings, whereas IBM may be cheap, yielding less than 1% and selling at 30 times earnings.

Today, despite the inflationary threat and the loss of 50% in the purchasing power of the dollar over the past 15 years, common shares yield 40% more than bonds. For insurance companies, taxable at the full corporate rate on bond interest, common shares yield not 40% more than bonds, but 200% more than government bonds, Mr. Davis said.

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OL&T Rates Revised Slightly Upward

OL&T rates for BI in area and frontage miscellaneous classifications have been promulgated by National Bureau, effective Nov. 9 for all states except Florida, Illinois, Louisiana, Minnesota, New Jersey, New York and Texas. Revised rates are effective on that date for District of Columbia, Alaska and Puerto Rico, and Jan. 1 for Hawaii.

There are some statewide average rate reductions and some statewide increases. For the country as a whole the increase is about 2% for area and frontage classification and around 1% for miscellaneous.

Area and frontage classifications include stores, hotels, churches, hospitals, clubs, restaurants, apartments and tenements, boarding or rooming houses and mercantile and office buildings. Miscellaneous classifications include baseball parks, exhibitions, golf courses, swimming pools, skating rinks, real estate developments, vending machines and self-service laundries.

Rule revisions in OL&T and M&C

broaden coverage to include without additional charge a number of "incidental operations" for which charges previously were made. The professional liability exclusions applicable to numerous classifications are revised to make them conform to standard provisions endorsement language. A classification procedure rule is established in OL&T for garden apartments and for parking areas in connection with shopping centers.

To Coast Bond Division

Royal Exchange group has appointed J. Douglas Miller supervisor of the agency and bond departments in its Pacific department.

Name Cal. Assn. Board

President Franklin B. Knapp of California Assn. of Insurance Agents has appointed the following new board members: Robert J. Grentner of Bellflower, Leslie B. Hackney of Bakersfield, James M. Richman of Santa Rosa and W. R. Van Dusen of Sherman Oaks.

Reappointed to the board were Warren B. Freeman of San Bernardino,

Joseph Gelcher of San Diego, W. W. Giddings Jr. of Modesto, Bennett W. Hammond Jr. of Sacramento, James C. Hayburn of Berkeley, William F. Jantzen of Arcadia, James W. Norris of Santa Barbara and Harold Wehner of San Jose. James P. Bennett of Los Angeles, vice-president, and Roger Chickering, secretary-treasurer, are also members of the board.

Hacker to American Auto

American Automobile and Associated Indemnity has named John P. Hacker Jr. bond manager at Atlanta.

Mr. Hacker began his insurance career with Standard Accident in 1939. He was a fire and casualty field man and bond special agent in Chicago, Atlanta and Detroit. Since 1950 he has been assistant branch manager for Standard at Cleveland.

Reiner Raised in Tex. Department

Jack G. Reiner, who has served as a statistician in the casualty insurance division of the Texas Insurance Department, has been appointed assistant casualty actuary to fill the position provided for under a law passed by the Texas legislature which provides for two assistant casualty actuaries.

Kearns Deputy U. S. Manager of Sun

As a result of the amalgamation of its United States subsidiaries, Sun has named William M. Kearns, who is president of Sun Ins. Co. of New York, deputy manager of the U. S. branch.

Says Clothing, Furniture Losses on Increase

George Hollister of Whitney-Schaefer Co. told Fire Underwriters Forum of Los Angeles that facilities for evaluating and handling claims involving clothing and furniture losses are inadequate.

He said there is such an increase in the number of these claims that most companies have an accumulated backlog.

He discussed fire, water, smoke and mildew damage and various methods for salvaging the material involved in the claim.

Wall Joins Continental

Robert J. Wall, formerly bond special agent for Hartford Accident in metropolitan Chicago, has been appointed superintendent of the fidelity and surety bond department at the Chicago branch of Continental Casualty.

Mr. Wall started his insurance career in 1948 with Hartford Fire and 5½ years ago joined Hartford Accident as a bond underwriter. He was advanced to special agent 3½ years ago.

Allstate Expands in Cal.

Groundbreaking ceremonies for a regional office building at Santa Ana, Cal., signalled the start of Allstate's second major building project in the Los Angeles area this year.

Allstate's Pasadena office, which was begun in March, will be ready for occupancy within a few weeks. Expected completion date of the Santa Ana office is January, 1957. The buildings, which represent an initial investment of \$2 million, will house regional offices in Los Angeles.

Company executives present at the ceremony included Judson B. Branch, senior vice-president for field administration; A. E. Spottke, vice-president for public and industry relations; C. A. Potts, property director; E. A. Frederick, vice-president for the Pacific coast, and Raymond W. Loewe, resident manager of the office which will occupy the new building.

Springfield F.&M. Honors Agency

Springfield F.&M. group honored the Brown agency of Wellsville, N.Y. for having represented it 40 years. Attending the dinner were the three agency partners, A. S. Hubbell, O. W. Tomlinson and James V. Fulmer. Present for the company were State Agent J. N. Duffey and Special Agent C. E. Hall.

Buckeye Union Agents Meet

Officers of Buckeye Union group presented an analysis of the homeowners policies and discussed advertising and promotional plans at a series of nine luncheon meetings recently.

Some 1,200 agents attended the meetings at Pittsburgh, Harrisburg, Columbus, Huntington, Grand Rapids, Pontiac, Indianapolis, South Bend and Fort Wayne.

Among the speakers were Frederick E. Jones, president; John A. Dodd, executive vice-president; Donald R. Haverick, vice-president; S. W. Schellenger, agency superintendent; S. H. Glessner, and Henry T. Weaver, assistant secretaries, and Arthur R. Ward, manager of the boiler department.

Insurance Women of New York observed its 21st anniversary with a dinner. Viola C. Whaley of Northern Assurance, a past president, was chairman of the program committee.

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Potpourri of Flood Insurance Plans Proposed

(CONTINUED FROM PAGE 2)

and individuals in all sections of the country, but that persons or companies that "deliberately court the risk of floods" should not have the cover available. He recommended the premiums not be set on a pure actuarial basis because few policies would be sold if they were and he suggested that the federal insurance not offer coverage for other natural disasters, such as hail or wind, since these coverages are available through private companies.

The governor said he would favor any reasonable steps the federal government might take that would make private insurer coverage of floods possible, including a modification of the tax laws so the companies could set up special flood insurance reserves.

Sen. Bush of Connecticut said there was a question whether the legislative proposal should cover flood only or encompass all natural disasters. He noted that an expanded bill would receive more support in Congress but it would require larger appropriations, which would cause a legislative delay.

Sen. Lehman of New York, chairman of the committee, said it was particularly interested in protecting the little man and that several proposed bills have been drawn up.

At a hearing held by the committee in Washington, D. C., a spokesman for the budget bureau said that govern-

ment agencies have tentatively agreed that a disaster insurance program should be set up on an experimental basis and limited to a few years. Sen. Payne of Maine appeared in support of flood insurance. He is a co-sponsor of a bill which Sens. Saltonstall and Kennedy of Massachusetts intend to introduce in January.

In Massachusetts, the Parker & Mcpherson agency at Worcester has outlined a proposal for partial recovery from damage to buildings and their contents as a result of flood, and has submitted the proposal for discussion and exploration by U. S. Chamber of Commerce, National Board, some insurers, company and agency associations, senators, and others. The agency suggests a federal flood insurance corporation or fund with each insurer or association licensed to write fire insurance anywhere in the U. S. becoming a fiduciary agent of the federal authority. Insurers would subscribe an average of \$5,000 to a flood fund held by a federal flood insurance corporation and then issue with every fire policy a special flood cover endorsement. Insurers would make available their facilities for loss adjustments.

There would be a \$1,000 deductible and a 10% deductible of any excess over \$1,000 for commercial buildings, and a \$500 deductible and 5% deductible in excess of \$500 on dwellings. The insurer would retain 25% of the charge to cover handling and loss adjustment expense.

In North Carolina Gov. Hodges has launched a study of a long-ranged program designed to minimize damages from future hurricanes.

Rep. Carlyle of North Carolina said he thought private money could be found to finance disaster coverage, but that if this is not the case, the government would have to step in.

North Carolina's civil defense director said losses in the state from Hurricanes Hazel, Connie, Diane and Ione are estimated at \$292,554,730, of which insurers paid \$27,750,000.

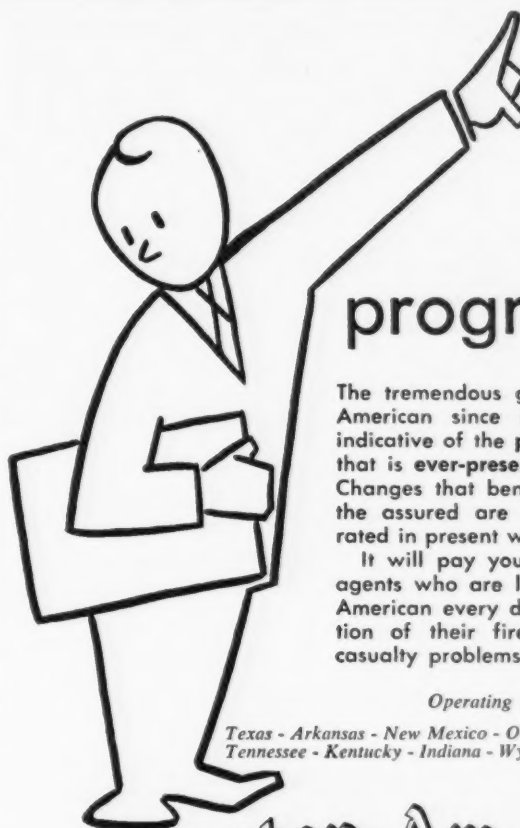
At the senate committee's hearing at Goshen, N. Y., Insurance Superintendent Holz of New York pointed out that National Assn. of Insurance Commissioners had appointed a committee to study flood insurance to determine if it could be written by private companies, perhaps with government aid in the initial period.

Insurers' past experience with flood cover has been unsatisfactory, he said. A company organized in the Mississippi valley to sell flood insurance late in the last century failed in three years, and more recently many companies have dropped the line, he said. Demand for the cover is great after a disaster, but after a few years go by without a loss, policyholders drop it and insurers cannot build up reserves to make it self-sustaining.

Agency Gets 50-Year Plaque

Mole & Mole agency of Lenox, Mass., has been awarded a 50 year plaque by Phoenix of Hartford. S. Gray Tracy, executive state agent, and Wallace G. Bailey, special agent, presented the plaque to George Mole at a luncheon.

Lester C. Lockwood Jr., has resigned as secretary and counsel of Railroad Insurance Assn., to join Milton B. Ignatius in a New York City law firm.



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Peerless Casualty's Nine Month Gain

Premiums written by Peerless Casualty totaled \$9,910,000 for the first three quarters of 1955, compared with \$9,593,000 for the same time last year. For the first nine months the company had a net underwriting gain of \$512,116, compared with \$430,850.

Losses and loss expenses were 54.9% of earned premiums for the period and underwriting expenses amounted to 38.4%. Comparable 1954 figures were 56.8% and 37.8%, respectively.

Policyholders' surplus at Sept. 30, stood at \$10,713,582 compared with \$10,377,371.

To Choose Insurance Young Men of 1955

The insurance committee of Young Men's Board of Trade of New York City is sponsoring the 1955 insurance young men of the year awards. To qualify for the awards nominees must be employed in New York City, have three years in the business, and must be between the ages of 21 and 36.

Surety Underwriters of N.Y.C. Elect Moritz

Surety Underwriters Assn. of New York City has elected Sidney Moritz Jr. of Aetna Casualty president to succeed Fred J. Kehrli of Hartford Accident, Russell F. Morton of Fireman's Fund Indemnity vice-president, and George K. Sneden of Home Indemnity secretary-treasurer.

The use of atomic energy for industrial purposes was discussed by Kenneth Kasschau of Alco Products, Schenectady, N. Y.

New members of the executive committee are Joseph R. Asciutto of Employers Liability, Peter R. Cummings of Springfield F&M., Samuel M. Williams of Maryland Casualty, and William J. Flaherty of Aetna Fire group.

Urges Cooperation Between Agents and Attorneys

Closer cooperation between attorneys and insurance agents in drawing lease clauses that may affect insurance was called for by John T. Even, execu-

tive assistant of W. A. Alexander & Co. in an address before the midyear meeting of the real estate law section of Illinois Bar Assn. at Chicago.

Mr. Even cited "paste-pot" leases containing various clauses inconsistent with each other as a cause of confusion in insurance coverages and litigation over settlements.

"A lease is a compromise agreement," he said, "but after lessor and lessee have agreed to compromise in principle, lawyers can help avoid future problems by seeing that the lease specifies exactly what tenant or lessor is to do in providing insurance and replacing property in event of loss."

"Kinds of insurance, perils covered, liability limits and co-insurance agreements are among things that should be clearly spelled out and tested. One test of practicality is to find out whether a type or amount of insurance agreed to can actually be obtained in the current market."

Hold harmless agreements should be arranged in the lease, if possible, so that both parties will not have to buy insurance, he said, and limits which may change as a result of economic conditions should be avoided.

Marine Group Elects Directors

American Institute of Marine Underwriters elected directors at its annual meeting in New York City. Owen E. Barker, of Marine Office of America, president, was in charge of the meeting at which annual reports of committees and officers were presented.

Directors elected are George Inselman of Marine Office of America, John W. Morrow of Home, Gilbert B. Oxford of Boston, Madoe M. Pease, U. S. marine manager of North British, James E. Rawling, U. S. marine manager of Phoenix of London and Norwich Union groups, and Frank B. Zeller of Royal-Liverpool.

Bituminous Casualty Names Gisel in Indiana

Bituminous Casualty has appointed Ronald A. Gisel manager at Indianapolis, servicing all of Indiana. Mr. Gisel has been with Bituminous since 1946, starting as a safety engineer in Florida. Later he went to Minneapolis, becoming an underwriter there. He had been at the home office since 1954.

At Indianapolis, Mr. Gisel replaces R. T. Brown, who has resigned. James H. O'Neal, who has been assistant manager at Indianapolis, has been transferred to Nashville in the same capacity. Mr. O'Neal has been with the company since 1949.

Brooklyn Law School Insurance Forum

Brooklyn Law School, in cooperation with representatives of insurance companies in the metropolitan area, will conduct a forum on insurance law in the auditorium of the School, 375 Pearl street, Brooklyn, Dec. 2-3.

Speakers will include Justice Peck of the New York appellate court, Insurance Superintendent Holz, and William B. Folger, executive director of the state insurance fund. Several attorneys who specialize in insurance law and insurance company officials will also be on the program.

C. Warren Black, president of Arundel Corp. has been elected a director of Fidelity & Deposit. During his career, Mr. Black has represented Arundel Corp. in a number of joint ventures for large construction projects throughout the U.S. and in the Caribbean area.

Colo. Mariners Meet Attracts Record Crowd

A panel discussion of the controversial commercial block policy attracted a record attendance of some 160 persons to a recent meeting of Mariners Club of Colorado, Port of Denver.

Skipper C. J. Hooker, state agent for Appleton & Cox, welcomed the guests who represented the states of Colorado, Wyoming, New Mexico, Illinois, New York, Missouri, California and Oklahoma.

J. V. Addy, vice-president of Appleton & Cox, moderated the panel which included Commissioners Beery of Colorado and Apodaca of New Mexico; Mrs. Jean Riggs, deputy commissioner of Wyoming and James N. Cahill, secretary of National Bureau of Casualty Underwriters.

Mr. Cahill discussed the future of rating bureaus and probable trends in policy construction and outlined the stand of the Casualty Bureau on the block policy.

The commissioners then presented the stands taken by their states. Wyoming and Colorado have classed the block policy as multiple line and require forms and rates to be filed with the department. New Mexico considers the block policy as inland marine.

Camden (N.J.) County Insurance Agents Assn., has changed its name to Camden-Gloucester Counties Insurance Agents Assn.

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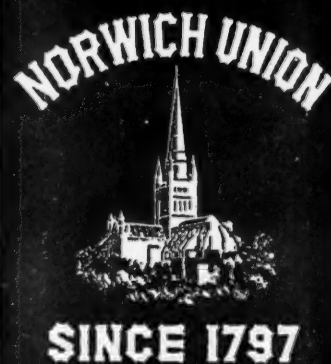
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Md. Casualty's Night Service on Claims Is a Success

Maryland Casualty's experiment with Thursday night settlement discussions between claimants' and company attorneys have been applauded by Justice Peck of New York appellate court. Results of the experiment are being closely observed by other casualty companies, and at least one other is working on a similar plan.

During the first 5 to 10 p.m. session, 29 claims and suits were negotiated, of which 21 were settled for amounts ranging from \$150 to \$10,000, according to Wade G. Bounds, manager of the New York claim division of the company. An aggregate of \$40,000 was paid.

Since 14 of these claims had reached the lawsuit stage, where an average jury trial takes three to four days, approximately 49 court days were saved in this one session, Mr. Bounds said. This means not only a substantial saving to taxpayers in court expenses, but also helps free the courts for more important business.

The second session brought 31 plaintiff attorneys to the company's offices. Negotiations were conducted on 48 claims and suits, of which 36 were settled on the spot for an aggregate of \$36,000.

At the first two meetings, the company was prepared with 12 settlement sections, but has increased the number to 20. The staff includes medical examiners, attorneys and adjusters with full authority to settle claims and suits and write out checks.

Maryland Casualty is contemplating similar evening sessions in Mineola, N.Y., to handle Nassau county cases, in White Plains for Westchester cases, and in Jamaica for Queens county actions. Other claims offices at Newburgh and Albany may also set up night settlement panels.

Little Transferred to Tex. by Fireman's Fund

John J. Little, marine special agent in Louisiana, has been transferred by Fireman's Fund to the southeast Texas field where he will serve as special agent succeeding John B. Waskom. Mr. Little will have headquarters at Houston. Mr. Waskom has been transferred to underwriting duty at Dallas.

Mr. Little started at Dallas with Fireman's Fund as marine special agent for Texas and Louisiana, and for the past three years has been exclusively in Louisiana.

America Fore Holds Open House in Md.

America Fore held an open house and a family day in its new Baltimore offices at 2221 North Charles street. Vice-presidents James D. Spellman and Frank E. O'Brien attended from the home office. About 250 employees and their families and guests attended the family day and 450 persons attended the open house. A buffet supper was served at each.

Toale on N. Y. Board Prevention Committee

Eugene A. Toale, metropolitan manager of Security-Connecticut group, has been appointed to the New York Board committee on fire prevention and water supply to succeed William H. Rusher of Hartford Fire who has transferred to the Pacific coast.

Cal. A&H Managers Elect R. H. Yorks at Los Angeles Meet

LOS ANGELES—Rangal H. Yorks of Fireman's Fund group, San Francisco, was elected president of California State Assn. of A&H Managers at its 25th annual meeting here. He succeeds Charles I. Wise of Continental Casualty, who was transferred to Denver.

Other new officers are Lloyd Wood of Hartford Accident and Charles D. Brovan, general agent for Mutual Benefit H.&A., both of San Francisco.

Deputy Commissioner Norton of the California department outlined the changes in California's licensing laws and explained the differences in licensing of agents and solicitors. He said conferences to determine minimum standards for incorporation in A&H policies are being held between department officials and leaders of the A&H industry.

Drs. Robert Rutherford and Charles Ormond, members of California Assn. of Chiropractors, presented a forum on "industrial footholds." They pointed out that chiropractors are licensed by the state, provide a service and desire to have their status clarified in A&H policy terms.

Mr. Yorks, in his acceptance address, painted a rosy picture of the future of the industry. He urged the development of new coverages and the improvement of those already established.

"To raise the stature of our industry," he said, "the salesman must know his product, work with the companies and make absolutely complete applications. The underwriter must work with the salesman and underwrite carefully."

Wesley S. Eagby, comptroller for Pacific Mutual Life, discussed the Univac system recently placed in operation at the Los Angeles office of Pacific Mutual. He reviewed the considerations which led the company to install the Univac and discussed its operation.

Mr. Bagby traced the development of electronic data processing techniques since the first Univac installation by the United States Census Bureau in 1950 and pointed out differences in capabilities of data processing systems and computing mechanisms.

Martin J. Asher, special agent for Massachusetts Protective and Paul Revere Life, was the closing speaker at the convention.

"If you are interested in daytime selling; if you want a good morale builder; if you are willing to be patient; if you really want to get smooth in your work—then try cold canvassing," he said. "Cold canvassing builds itself around the 'cold-pitch,' intelligent use of the telephone, individually designed preapproach letters and greater selectivity in direct mail. The exploitation of key-men A&H lends itself very well to this method, but cold canvassing can only be as good as the proper follow-up applied to it."

The 1956 convention will be held in San Francisco.

Names Dormer, Novotnak

Zurich has named Thomas J. Dormer fire special agent and Lawrence V. Novotnak special lines representative at Pittsburgh.

Mr. Dormer has 10 years of fire insurance experience and Mr. Novotnak, who also has previous experience, will assist agents with burglary, fidelity, plate glass and homeowners business.

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Atomic Energy Cover Hinges on Two Questions

(CONTINUED FROM PAGE 2)

Statistics on experience of reactor operation in private industry are non-existent. On the other hand the remarkable safety record compiled by

the commission in more than 12 years of operating reactors which have actually been operated by private contractors is impressive. During that

period 25 nuclear reactors have been safely operated in AEC facilities with no accidents involving contamination of off-site property or radiation injury sufficiently serious to cause loss of time of personnel. There has been a total of 606,686 hours of operating experience accumulated and this involves 17,799,000 man hours. This excellent record has resulted from constant concern with the problems of health and safety and reactor safeguards. The new industry must also be prepared to meet the hazard problem. A primary concern of the regulations issued by the commission is protecting the health and safety of the public and workers in atomic energy installations. These regulations contain the standards and criteria which must be met before AEC will issue a license to operate a reactor.

The potential hazards in atomic energy are substantial, and grave consequences might result from a major accident, he added. The possibility of a serious catastrophe, however, seems very remote because of the development of controls to prevent a serious accident and the development of containment features should the many controls all fail?

Today more and more operations in industry are being classified in the hazardous category. To give one illustration: Picture an airplane weighing 100 tons, carrying two tank cars of highly flammable fuel, operated by human beings and flying 400 or 500 miles an hour over areas thickly populated with dwellings, factories and office buildings. It is easy to realize that the possibility of catastrophe is there.

It is not standard insurance practice today to insure up to the maximum potential loss which might result from an industrial operation. If so, most corporations would buy insurance equivalent to their corporate worth. This is not done simply because of the remote character of such complete loss. The same reasoning should apply to necessary insurance for reactor operations. There must be some point of judgment between the catastrophe and the remote possibility that it will happen.

Mr. Satterfield feels that this problem can be solved. But its solution calls for a close working relationship of industry, insurance and AEC. There is such a close relationship now. AEC needs the answers to two questions before it can chart its course. The first will come from the insurance business "what is the maximum limit of insurance you can provide?" The second must come from industry, "what maximum is reasonably necessary for your participation in the peaceful uses of atomic energy?"

There is a need to place peripheral problems related to private atomic energy activities in their conventional context and not stress excessively their uniqueness. This is true of insurance and liability problems. Arvin E. Upton, partner in LeBoeuf, Lamb and Leiby, Washington, D. C., firm, told the atomic energy conference.

AEC experience and expert opinion indicates reactors are quite safe but they will not be foolproof and the catastrophe potential is enormous.

Possible kinds of loss and liability would comprise plant damage, plant loss of use, injury to employees, third party liability and liability to AEC for loss of special nuclear material and from a licensee's obligation to indemnify AEC. Third party liability is the most serious element. Potential liability under indemnification obligation is probably slight but responsibility for loss of material may result in very large financial liability, he said. Third party liability may be based on legal doctrine related to ultra-hazardous activities and liability may result even though no fault.

A large company may by itself, or in cooperation, with others, act as a self insurer to some extent. The existing liability insurance policies may cover the situation but they have monetary limits and they probably do not apply to atomic incidents. To some extent the company operating the reactor might be able to pass back liability to the manufacturer under product liability doctrine.

The additional protection needed must come either from private insurers or from the government.

Private insurers are making a genuine effort to come to grips with the problem, both collectively and in individual policies already written, he pointed out. In negotiating special coverages particular attention must be given to the questions of loss of use in circumstances where the effects of radiation and duration of the effects are uncertain, and when death may eventuate from radiation long after incident involved. The insurance business can't come to a conclusion on this problem until the atomic industry gives firm estimates on what is required.

The eventual question, therefore, is as to the appropriate participation of the government, he noted. No government participation should be considered until industry comes up with constructive planning going as far as possible. Government participation should be justified as analogous to research assistance during the experimental period.

Government participation might take the form of direct indemnification, government reinsurance or government excess coverage insurance. Any legislation should provide for a review of the situation after 10 years. If possible, the government role should be limited to hazards connected with contamination by radioactivity, since these are the hazards containing most of the unknown factors.

Statutory limitation of liability is rejected as impracticable if incorporated

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What then? Do something about it—before it puts your business flat on its back!

For example, spontaneous ignition starts many preventable fires. The best way to deal with the hazard is to provide approved waste cans for the safe disposal of oily rags and waste; they reduce the



possibility of "accidental" ignition of waste or trash by a carelessly tossed match or cigarette.

Periodic inspections will alert owners and supervisors of property to obvious hazards. Good fire prevention practice is: reduce or remove the hazard. *Don't give fire a place to start!*

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in state legislation and as of doubtful constitutionality if incorporated in federal legislation, Mr. Upton said.

There is no dramatic and simple solution to the problem, but there is still time left to work for solutions. There is no indication that reactor development thus far has been held up by failure to solve the insurance problem. Matters will be quite different, however, in three or four years when the first power reactors are ready to go into operation. The insurance business must work out solutions to the best of its ability by that time. If this is not enough and government participation is needed, it should be requested without hesitation and welcomed.

The new regulations of the New York state labor department, promulgated by its board of standards and appeals, become effective Dec. 15. The regulations will be enforced by the safety and industrial hygiene staffs of the labor department.

About 150,000 workers in the state are employed in industries where exposure to the effects of industrial radiation is possible. The regulations cover all phases of the field including the industrial use of isotopes.

The state health department recently adopted regulations in its sanitary code covering protection from radiation of personnel in hospitals, dental offices and similar establishments. The two codes will complement each other in covering most peacetime uses of radiation.

Significant provisions of the new code are:

All installations and mobile services must be registered. This will enable the labor department to know the location, type, degree of hazard, and ownership of every radiation source in the state. Existing installations must be registered by March 15.

Each installation must have a radiation safety supervisor and a radiation safety officer who is designated by the owner. Workers exposed to radiation must be trained by a supervisor and be completely informed of hazards in installations. Minors under 18 will not be permitted to work in areas of possible hazard.

The owner of an installation is given the option of two methods of determining dose limits—on a weekly basis or on a quarter-year dose limit basis. When a person is exposed to greater than the specified limits, the employer shall report the fact to the commissioner. The rule takes effect where any employee may be exposed to one-tenth of the permissible doses as set forth in the code.

The radiation officer will be required to make a survey evaluating the hazard when conditions in the installations change, or more often. Proper detection and measuring instruments must be readily available.

Any employee who in any way receives 25% or more of the radiation dose limit must be supplied with and must use appropriate personnel monitoring equipment. These may be dosimeters or film badges or other similar devices.

The code also sets up a requirement for precaution signs or labelling which must contain the standard radiation symbol, as specified in the code, and appropriate cautionary wording.

The following is a table of weekly permissible limits:

- (1) Entire body exposure: 300 mrem (milliroentgens equivalent mammal—a measure of radiation amount and relative effect on living tissue) in the blood-forming organs, gonads and lens of the two eyes; 600 mrem in the skin.
- (2) Entire body exposed and low penetrating power: 300 mrem in lens of the eye, 1500 mrem in any other part of the body.
- (3) Hands and forearms exposed only, 1500 mrem in the skin area.
- (4) Feet and ankles—1500 mrem.
- (5) Hand and neck only, 1500 mrem skin area; 300 mrem around eyes.
- (6) Inhaled or ingested radiation and direct exposure to rays together must not exceed appropriate limits per week.

Atomic Industrial Forum has set up an insurance committee which is working on some of the basic questions involved in arriving at requirements for coverage on atomic risks, Arvin E. Upton of Le Boeuf, Lamb & Leiby, Washington, D. C., said. Some of the problems he believes the committee will study are:

What are the requirements of roughly similar industrial operations? What changes are needed in statutes of limitations in view of the fact that the effect of radiation contamination may not be ascertained until long after an atomic incident? How should these changes be reflected in insurance policies which, in the case of special hazards, might otherwise provide for a time limit on the presentation of claims? What kind of a time limit should be applied in the case of business interruption insurance? What form should insurance take, as riders to present policies or as special policies? How is the matter of products liability to be handled? Should there be a blanket insurance policy covering both the supplier and the operator?

Insurers already have come to grips with some of these problems, he said.

At least two of the government's atomic bomb projects were insured, to some degree, by private insurers. Private companies have also underwritten

specific risks in the private atomic energy field. Technical Operations, Inc. of Arlington, Mass., has purchased a policy providing protection from all claims arising out of the use of radioactive products by the public. The company employs radioactive material in

making medical instruments and a device for detecting flaws in metal castings. Skandia of Sweden recently wrote a policy covering hazards on the plant and atomic reactor of Atomic Energy Co. of Stockholm. North America group underwrote the construction

NO. 11 OF A SERIES

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Says a Pearl-American Agent in Eastern Wisconsin. This is his story:

"I had the Fire and E.C. insurance on a warehouse building which had originally been constructed for other purposes. When I wrote the policy I used the flat rate but recommended coinsurance provided the owner would buy an appraisal from a recognized appraisal firm. The owner repeatedly vetoed my suggestion. One day he phoned and said he wanted to see me right away. It seemed that through his trade association an out-of-town source had been permitted to make an appraisal and had convinced him that (a) he was under insured to the extent of \$50,000, (b) he should carry coinsurance. I contacted your field man and together we visited my client. He showed us the 'appraisal.' Your field man pointed out that it had obviously been made by using a standardized chart, such as he carried. He showed my client his chart and how it worked. He then told my client that in his opinion the chart method was not reliable for my client's building. The upshot was that my client ordered an appraisal from a National appraisal firm. Their actual cash value figure not only made the additional insurance unnecessary but enabled my client to add coinsurance with confidence and with a consequent reduction in rate. My client was so pleased that he ordered appraisals on certain other properties and gave me the insurance."

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of the first atomic-powered submarines, the *Nautilus* and the *Seawolf*.

Last year a representative of a large manufacturer said his company had approached insurance brokers and learned that the largest amount of liability insurance available on the domestic market would run from \$2 to \$3 million. If pool operations are undertaken, Mr. Upton said, he would guess that this figure might go as high as \$25 million. There will still be a large spread between this figure and industry's requirements. It is evident that the federal government must be brought into the situation, he said. However, it might be wise to consider limiting government participation to

the hazard of contamination from radio activity, he suggested.

The government's role should also have a time limitation. This could be done by requiring the joint committee on atomic energy to review the situation at regular intervals with a view to reducing the government's role when feasible.

It has been suggested that legislation establish a maximum amount of recovery for an atomic incident, similar to the Warsaw Convention. Many states have wrongful death statutes similarly limiting liability. However, this proposal would depend on uniform legislation in 48 different jurisdictions. If it were done by federal legislation,

its constitutionality is questionable, he said. The Warsaw Convention precedent doesn't help, for it is a treaty. Mr. Upton doesn't believe the federal government can limit the liabilities of private persons engaged in private activities to other private persons, even if the activities are licensed by the government.

Fails to Investigate, Insurer Loses Despite Misrepresentation

Because the insurer failed to investigate an application, its case asking cancellation of a bond and \$10,000 in damages was dismissed in circuit court in Milwaukee. Donlen Trucking, Sand & Gravel, Inc. obtained a \$55,000 performance bond from Fidelity & Casualty by telling an untruth, but because F&C failed to make a thorough investigation, the court said it had no case.

Subsequently, the Donlen contract with the city of Milwaukee to provide sand and gravel was cancelled and F&C has been asked to provide materials through second low bidders. F&C will have to pay the difference between Donlen's contract and the next low bids.

The president of Donlen called an underwriter for F&C in Milwaukee asking for a bond he said he had to have in 36 hours. The underwriter asked if Donlen had more than \$15,000 in cash or liquid assets, and he was told the company had that much. This was a material misrepresentation, the court said, but the underwriter failed to make a thorough investigation and did not ask during the investigation if Donlen had any unpaid claims against it. The court said the person claiming fraud must exercise proper vigilance in making proper investigation before taking action.

Casualty Assn. Has Safety Booklets

Safety in industrial plants and small businesses is the topic of three new booklets released by the accident prevention department of Assn. of Casualty & Surety Companies. Prepared in comic book fashion, the booklets are *Keeping Safe Off the Job*, *A Safe Beauty Shop*, and *A Safe Start*.

The booklets are available at \$2.70 per hundred, each title, at the association's office, 60 John street, New York 38, or from local stock casualty insurers.

Fire Fog Film at L. A.

Ewalt Day Inspector for North American Aircraft Corp., presented a film on "The Indirect Application of Low Pressure Fog" at a meeting of southern California chapter of Society of Fire Protection Engineers at Los Angeles. Comments on the film were given by Chief Ray Hill of the Los Angeles Fire Prevention Bureau; Ray Kenz of Automatic Sprinkler Corp., and Fred Trask of Oil Association.

Acme County Mutual of San Antonio has reinsured all the business of Armed Forces Mutual of San Antonio.

FIELDMAN AVAILABLE

Casualty fieldman in early thirties with seven years experience in all of the casualty lines, also, some fire and inland marine. Experienced in underwriting as well as production. Hold B.S. degree in Business Administration. Interested in Mid-West location. Box J-8, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CLAIMS ADJUSTER

Leading multiple line stock company has opening in Chicago Branch Office for experienced man. Employee benefits are very attractive, plus definite opportunities for advancement and security. Salary commensurate with qualifications. Car furnished. Replies held in strictest confidence. Address Box No. J-6, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ARE YOU TIRED OF TRAVELING?

Know your automobile and general liability manual thoroughly? Had at least 5 years experience in the field? Capable of doing good field underwriting and engineering? Have a college education?

If so, we could use you in our home office in an executive underwriting position. Wonderful retirement program. Salary above average. Excellent opportunity for right man. Please give age, education and experience.

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Highly rated casualty company has fine opportunity for casualty special agent experienced in all lines. Headquarters Louisville, Ky. Send résumé in confidence indicating personal history, experience & salary requirements to P. O. Box 306, Wall St. Station, N. Y. 5, N. Y.

— WANTED —

Manager to assume the operation of a General Insurance Agency in Flint, Michigan. Salary and Bonus. Send snapshot, personal history, education and experience. Address Box J-11, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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This advertisement is placed by a major company nationally recognized for aggressive merchandising. For us 1955 is a year of unprecedented growth. We are now gearing our staff for even greater expansion.

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This is a "once in a blue moon" opportunity for career men. If that describes you, submit detailed business and personal resume in complete confidence. Our staff knows of this ad. Address Box J-2, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

UNIT SUPERVISOR — METROPOLITAN CLAIMS

Our expanding Casualty Insurance company in Chicago has need for an experienced Casualty Claims man to supervise new Metropolitan Claims Unit. This man should have experience in a metropolitan center and major emphasis of experience should be Bodily Injury, and Workmen's Compensation. In reply give in outline form complete information regarding personal, education and experience background, and salary desired. Address Box J-9, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE UNDERWRITER

One of larger national multiple line stock insurance companies is looking for a man with previous fire underwriting experience. Salary commensurate with ability and experience; liberal benefits; relocate Northern Illinois. Write Box #J-7, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill., stating experience, qualifications and salary desired. Our employees know of this ad.

UNDERWRITING SUPERVISOR

Indianapolis Branch of Multiple Line Stock Company requires young man 28-35 with at least five years experience preferably including auto, casualty, fire and inland marine. Replies should include résumé of experience and salary required. Box H-87, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Stone Manager, Van Deusen to Handle Public Cover for Oakland, Cal., Agents

James E. Stone has been appointed executive manager of Oakland (Cal.) Assn. of Insurance Agents, and Leslie M. Van Deusen has been named insurance manager.

Mr. Stone was with National Fire and later was special agent for American in the Oakland-East Bay territory. Mr. Van Deusen for 23 years has been insurance manager for Hawaii Sugar Refining Corp. With the association, he will supervise technical administration of the insurance on the city of Oakland, Port of Oakland and East Bay Municipal Utility district, which has been handled by the agents for many and was originally known as the "Oakland Plan" for handling public insurance.

Hurley Now Independent Adjuster in Hartford

HARTFORD—John J. Hurley has resigned as Connecticut supervisor of claims for Aetna Fire to open an office here at 150 Cheshire street as an independent adjuster and investigator of claims. He had been with Aetna 10 years.

Mr. Hurley started in insurance with Travelers in 1929. In 1942 he went to Colt's Manufacturing Co., then a self-insurer with 16,000 employees, to supervise its workmen's compensation and A&H programs. He joined Aetna in 1945 when Colt's insured its program with Aetna. Mr. Hurley's office will handle fire, casualty and allied lines in Connecticut, Rhode Island, and western Massachusetts.

Four Prominent Speakers for La. Insurance Seminar

Louisiana State university and the casualty and surety division of the rating commission are sponsoring this week an insurance seminar at Baton Rouge for company men, agents and buyers.

The four speakers on the program are Henry S. Moser, general counsel of Allstate; Thomas O. Carlson, actuary of National Bureau of Casualty Underwriters; Leon R. Oliver, vice-president of Employers group, and W. H. Heinrich, loss control division superintendent of Travelers.

Wichita Agents Conduct Fourth Buyers' Conference

Wichita Assn. of Insurance Agents conducted its fourth executives and buyers conference this week. Previous conferences were held in 1949, 1950 and 1952.

Speakers included M. W. Whitelaw, executive supervisor at the home office of Western Adjustment, on "Business Interruption—Insurance for Income"; Charles C. Crow, district supervisor of Underwriters Adjusting, on "Values for Insurance," and Robert Gadberry, assistant vice-president of Fourth National bank of Wichita.

B. J. Weldon, president of the Wichita association, opened the meeting, which was presided over by Harold Budke.

Management Topic of Brokers

Office procedures and management practices for small and medium sized agency and brokerage operations, will be the subject of the Nov. 16 forum sponsored by Greater New York Insurance Brokers' Assn. Eugene A. Toale, manager of the New York department of the Security-Connecticut group, will head the panel which will include Richard Layton, vice-president of Rough Notes.

Insurance Women of San Antonio at a recent meeting heard a discussion of changes in Texas insurance legislation by B. P. Russell of Floyd West & Co.

National Fire, Life Insurer May Be 'Affiliated'

(CONTINUED FROM PAGE 1)

Directors called a special meeting of the stockholders for Dec. 20, 1955, to approve the proposed affiliation of the National Fire Insurance Co. of Hartford with Connecticut General. This will entail the authorization of 150,000 shares of additional stock, most of which will be exchanged if your action at that meeting is favorable, for stock of National Fire. The exchange will be on the basis of 3½ shares of National Fire for one share of Connecticut General. Five hundred thousand shares of National Fire are now outstanding.

"Second, your directors approved subject to your favorable action at our annual meeting in February, a further increase in our capital stock to \$15 million if the affiliation plan is approved. The new stock will be paid for by transfer from the surplus account to the capital account and the par value will remain at \$10.

"The proposal to issue Connecticut General stock for exchange with National Fire stockholders requires approval by the insurance commissioner of Connecticut in addition to favorable action by the Connecticut General stockholders. The offer would also be conditioned on acceptance by holders of at least 80% or 400,000 shares, of National Fire stock and to substantiation of financial and other data relating to National Fire and its business. The 80% requirement is necessary in order to make the transaction tax-free under the federal income tax law. There will be no tax consequences to the stockholders of Connecticut General or National Fire by reason of the exchange.

"The proposed exchange offer will be effective upon your approval Dec. 20, 1955. The offer will expire at noon Jan. 23, 1956.

"In the event the exchange becomes effective and stockholders vote to increase the capital to \$15 million, each stockholder of Connecticut General, including those who received their shares by exchange of National Fire stock, will receive one and a fraction shares of Connecticut General stock for each share held.

"In the event the program becomes effective it is expected that Connecticut General initially will pay dividends on the increased capitalization at not less than 50 cents a share each quarter, or \$2 a year on each 1,500,000 shares. Thus, following the increase in capital, the holder of one share of Connecticut General stock may initially anticipate receiving dividends at a rate of not less than \$4 a year instead of the \$2.60 currently being received.

"We believe that this proposed affiliation with National Fire will benefit both Connecticut General and National Fire.

For many years your directors and officers have studied the desirability of broadening our insurance lines, so that we would write all forms of coverage. The directors unanimously recommend the current proposal.

"We expect to send you next week a formal notice of the Dec. 20, 1955, special meeting and later this month we will send you additional information with respect to the proposed exchange offer."

Since National's subsidiaries are wholly owned, the negotiations involve them along with the parent company.

The Connecticut General home office was asked by THE NATIONAL UNDERWRITER about the possibility that agents of Connecticut General would be encouraged to go multiple line. It was said that it was too early to make any statement about that.

Guarantee of Los Angeles, a member of the London Assurance group, has been granted an amended certificate of authority to transact insurance as a multiple line company.

State Farm Offers La. Revised Membership Plan for Auto Cover

State Farm Mutual Auto, which has been trying since February, 1953, to gain Louisiana's approval of its membership plan used in selling automobile liability insurance, has offered a slightly revised plan for consideration by Commissioner Martin. A decision will be given within 30 days.

Mr. Martin previously approved the company's proposed 25% cut in rates but rejected the membership fee plan, which the company maintains is necessary to reduce rates. He objected to designation of part of the premium as membership fee and failure to quote a price for insurance based on premium.

The membership plan provides an additional, but non-recurring, fee paid when the policyholder first buys the policy.

At a hearing, Russell Matthias, Chicago attorney for the insurer, said that use of the membership fee plan was specifically permitted under an appeals court decision, but C. C. Wood, department attorney, said the ruling quoted was not part of the court's decree.

The controversy has gone through the courts all the way to the state supreme court. A district court ruling reversed the commissioner and approved the plan, but the appeals court and high court upheld the commissioner's ruling.

Transport Indemnity Taking Over Affiliated Reciprocal

Transport Indemnity has been granted a permit by the California department to issue 5,061 shares of common stock of \$10 par value at a rate of \$20 per share to policyholder-subscribers of Transport Insurance Exchange for their interests in the exchange. Transport Indemnity previously had distributed 39,988 shares of stock on the same basis for 90% of the equitable interests of the exchange subscribers.

Insurance Legionnaire Hear Talk on Narcotics

Sgt. James Ross of Los Angeles police detail told members of the Insurance Post, American Legion, that heroin addicts were responsible for a greater percentage of the crimes in that city than any other cause. Although he maintained that heroin addicts never will cease their addiction, he advocated hospitals for caring for the unfortunate.

He said it is most difficult to check teen-age addicts because of the danger of making illegal arrests. He said certain court rulings hamper the work of the narcotics detail, especially in making arrests.

American Auto Names Kell Bond Manager at Detroit

Kenneth B. Kell has been appointed bond manager at Detroit for American Automobile and Associated Indemnity.

Mr. Kell has been superintendent of agents (fidelity and surety) for Continental Casualty at the home office. He began his insurance career in 1936 with Fidelity & Deposit in Kansas City. After war service he returned to F&D. as assistant manager of the agency department at Baltimore. Four years later he was promoted to manager at Omaha office.

Hartford Accident Expands Conn. Engineering

Hartford Accident has established a new Bridgeport, Conn., district engineering department with J. T. Edgar as district engineer. He formerly was in Hartford with the new England district engineering staff and has been on the staff since 1947, formerly as resident

engineer at Peoria. He transferred to Hartford in 1954. Mr. Edgar will assume his new duties in Bridgeport on Dec. 1. The new district includes all of Fairfield county, formerly under the jurisdiction of the New England division.

Mr. Edgar will be replaced in Hartford by Burton L. Brown, who is being transferred from the Syracuse, N. Y. office.

New Ky. Insurer Makes Headlines: Called Politically Motivated

Incorporation papers filed for State Ins. Co. of Kentucky made the political headlines when the Republican candidate for governor, E. R. Denney, issued a statement charging the new insurer was being formed to write coverage on state properties. Mr. Denney said supporters of A. B. Chandler were out to get in on the ground floor.

Among the incorporators are C. R. Barnes, former state finance commissioner; H. Clyde Reeves, former commissioner of revenue; P. Rogers II, former state director of accounts and control, and Robert B. Hensley, Louisville attorney and executive secretary to former Gov. Clements.

Another incorporator is Paul D. Doolen, executive vice-president of Bankers Life & Casualty of Chicago.

State Ins. Co. of Kentucky actually is one of three such insurers being organized by persons affiliated with Bankers Life & Casualty interests. Mr. Reeves is a director of Bankers and a former vice-president of that company. State Ins. Co. of Mississippi and State Ins. Co. of Michigan also are in the process of organization, although with different incorporators. These companies will be operated independently of Bankers, although depending upon Bankers for certain services such as actuarial and accounting assistance.

Mershon Goes to Cook County Adjustment Bureau

Donald H. Mershon, formerly with Western Adjustment Bureau, Chicago, for 20 years, has been named assistant manager of Cook County Loss Adjustment Bureau, Chicago, replacing W. A. Olsen who has been advanced to manager.

J. F. Boehner, manager of Cook County Adjustment for the past nine months, has rejoined Western Adjustment.

Honor Dallas GAB Veterans

DALLAS—Veteran employees of General Adjustment Bureau in the southwestern department office in Dallas, were honored at a luncheon attended by George W. Lilly, executive vice-president, and Philip M. Winchester, general manager, from the head office in New York. Members of the Dallas staff receiving recognition were James F. Miazza, departmental manager with 36 years of service; George W. Jordan, assistant manager; Heywood W. Weldon, C. B. Webb and Miss Mattie Weaver.

A talk on the dwelling policies by A. H. Jens, Cook County manager of Fireman's Fund, attracted an overflow attendance at the first meeting in Chicago of Insurance Brokers Assn. of Illinois. Pictured with him are John B. Siewers, left, arrangements chairman, and Frank E. Mueller Jr., association president.



Missouri Agents Plan Youth Driver Program

(CONTINUED FROM PAGE 1)

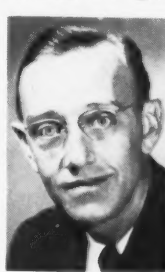
nationally known for his campaigns against the mutuals, was one of the main speakers, combining his address on "Meeting Mutual Competition" with excerpts from another subject he has been pursuing, "The United States as a Satellite Nation."

Mr. Flett, after reviewing in detail how he happened to take up the war club against the mutuals and reviewing his experiences since 1950 when he took to the platform to denounce them, went into his already renowned arguments as to why mutual coverage is inferior. He mentioned the Lapeer County Mutual of Michigan and the lawsuits that followed its insolvency; the taxing of mutual insurers, and the assessment possibilities of mutual contracts.

Registration totaled 352, and all the sessions were well attended. The theme of safer driving was discussed at nearly every meeting.

Another resolution pledged the association to continue its efforts to obtain better insurance laws in the state.

The new officers were installed by Lt. Gov. James T. Blair at the banquet. Lyman L. Winter, the new president, of Missouri agents, is with the Walter



Lyman L. Winter

H. Steiner agency at Jefferson City. He started with the firm in 1946 following the death of Mr. Steiner. Mr. Winter had no previous insurance experience, having been doing promotion for a local clothing manufacturer. He is a graduate of journalism school of the University of Missouri.

Other program speakers included Kenneth Ross, president of the National association; Frank T. Reilly, assistant secretary of AFCO, New York; Jack D. Bell, national sales promotion manager of Chevrolet; John S. Perry, inland marine manager in the western department of Fireman's Fund, and Fred Klemp of Carter advertising agency of Kansas City.

There panel discussions on workmen's compensation, business interruption and rural agents' problems.

Stoughton (Wis.) Assn. of Insurance Agents had members of the police and fire departments as guests at its last meeting. Fred Rasmussen, Madison adjuster, talked on the relationship of adjustments to the relations between adjusters and local agents.

Mid-Continent of Amarillo has reinsured all the business of Insurers Corp. of Dallas.

Sheehan Promises Study of Public School Rates

A department study of public school insurance rates in Minnesota has been promised directors of Minnesota School Board Assn. by Commissioner Sheehan following a conference with the directors.

Also attending the conference were Charles Richter, head of the rates and rating division of the department, and V. G. Lowe Jr., general manager of Minnesota Compensation Rating Bureau.

The school board presented results of a study showing that in 1954, 315 Minnesota high school districts out of a total of 474 paid fire and EC premiums of \$786,466 for \$269,586,589 coverage with only \$133,919 in claims paid.

The school board directors said the district may be paying excessively high premiums in view of the comparatively low claims. Mr. Richter pointed out that for EC, schools are grouped in a "nonmanufacturing" classification.

W. A. Wettergren of the school board said, "School insurance premiums are paid by the taxpayers and, since our loss ratio has been quite good, the taxpayers seem to be suffering from the losses of individual firms now owned by the public."

"These things should be reviewed from time to time," Mr. Sheehan said, "and we have a proposed change of rates under consideration now with the Fire Underwriters Inspection Bureau." He also agreed to check public school rates in other states. The school board directors said that Oregon, New Jersey and Washington lowered school rates after a study of premiums and claims.

Alexander General Agents for Wm. Penn Underwriters, Not Pennsylvania Fire

The item in the Oct. 27 issue stating that W. A. Alexander & Co. had been named Illinois general agents for Pennsylvania Fire was incorrect. The agency has been appointed supervisory agency in Chicago and Cook county for Pennsylvania Fire, and general agents in Illinois outside of Cook county and in several Indiana counties for William Penn Underwriters, a department of Pennsylvania Fire. This will in no way disturb the present agency plant of Pennsylvania Fire, or the present field supervisory setup.

The appointment will put Alexander in the fire business in the so-called down state territory.

Hunt Sets Hearing on Service Fire for Nov. 21

Commissioner Hunt of Oklahoma has issued an order to Service Fire to appear at a public hearing Nov. 21 to show cause why its license should not be revoked in Oklahoma.

The commissioner says investigation by his department shows that in addition to misclassification the company has violated the agency laws and is engaged in coercive practices in restraint of trade.

The commissioner said he is also investigating the activities of Calvert, Cavalier and Marathon, other automobile finance companies which have been mentioned in connection with rate misclassification.

Aetna Casualty in Cal. Bonds

Peter Kiewitt & Sons of Los Angeles and Frederickson & Kasler of Arcadia, Cal., have been awarded a contract by the U. S. Engineers for construction of propulsion engine test facilities at Edwards air force base, Edwards, Cal., at their bid price of \$3,960,482. Aetna Casualty is on the risk for Kiewitt.

Francisco has awarded the contract for the construction of the water tunnel, Crystal Springs and Sunset Supply Lines, to Peter Kiewitt Sons Co., at a price of \$1,366,830. Aetna Casualty is also on the bonds for this work.

St. Louis Agents Prepare for Big PR Campaign

ST. LOUIS—Plans for an advertising public relations campaign to sell the personal services of stock agents and brokers were outlined in a combined meeting of Insurance Board of St. Louis, Associated Agents & Brokers of St. Louis and Insurance Brokers Assn. of St. Louis last week by M. L. Brink of Schram, Olson & Reiner, a public relations firm. Other members of the firm also spoke.

W. Reiner of the public relations firm said a preliminary survey was made to determine the need for an insurance public relations program in St. Louis, part of which was a questionnaire sent to insurance people and personal interviews and a direct survey of the public by a marketing research specialist firm. The chief fact determined by the study, Mr. Reiner said, was the public wants insurance at the lowest possible price.

Mr. Brink stressed that the proposed program is not simply advertising, but will be informative and educational in character, advising the public about the private contract or relationship of the agent and broker. However, the largest portion of the campaign will be in daily newspapers. Radio and TV will be included.

The campaign is to begin early in 1956, Charles W. De Witt of the De Witt agency, chairman of the joint committee, explained. He estimated the cost for the first year will be about \$35,000. The program will tie in with national campaigns now being conducted by some of the stock companies which point out the advantages of using local agents and brokers instead of direct writers.

Houston DITC School

A Disability Insurance Training Council school has been organized in Houston with an enrollment of 18 Class meetings, held once a week, started Oct. 26 and continue for 13 weeks. The instructor is W. H. Delaney, American General Life.

STOCKS

By H. W. Cornelius Bacon, Whipple & Co. 135 S. LaSalle St., Chicago, Nov. 8, 1955

	Bid	Asked
Aetna Casualty	155	158
Aetna Fire	55	56½
Aetna Life	202	206
Agricultural	33	34½
American Equitable	36½	37½
American Auto	27	28½
American, (N.J.)	28½	29½
American Motorists	17	18½
American Surety	91	93
Boston	37	38
Camden Fire	26½	27½
Continental Casualty	114	117
Crum & Forster com.	66	69
Federal	37	38
Fire Association	53½	55
Fireman's Fund	62½	64
Firemen's, (N.J.)	37½	38½
General Reinsurance	47	49
Glens Falls	66	68
Globe & Republic	21½	22½
Great American Fire	37	38½
Hartford Fire	156	159
Hanover Fire	44½	46
Home (N.Y.)	48	49
Ins. Co. of No. America	108	110
Maryland Casualty	36½	37½
Mass. Bonding	42	45
National Casualty	52½	Bid
National Fire	130	Bid
National Union	43	44½
New Amsterdam Cas.	49½	51
New Hampshire	44½	46
North River	38	40
Ohio Casualty	92½	Bid
Phoenix Conn.	77½	79
Prov. Wash.	26	27
St. Paul F. & M.	55	57
Security, Conn.	46½	48
Springfield F. & M.	64	66
Standard Accident	55	56½
Travelers	85	87
U.S.F. & G.	66½	69
U. S. Fire	26	27

Underwriters Told to Develop Salesmanship

"The home office underwriter is the most important link in the chain between the company and the agent," according to Walter A. Rothermel, director of education for American Casualty.

"He must have all the attributes of good salesmanship if he is to achieve the company's goal of being the 'favorite' in each agency," he said in a talk at the November meeting of Chicago Casualty Underwriters Assn.

The field man gets the company into the agency, but the underwriter maintains the daily contact with the agent, Mr. Rothermel added. He offered several suggestions to help the underwriter in his relations with agents.

"Develop a 'negative selling approach' so that you can convince the agent to turn down a poor risk," he said. "Being able to meet objections is one aspect of good salesmanship... and the best way to do so is to let the agent talk out his objections and agree with him. But instead of arguing or getting mad, convince him his objection is not sound through the use of a third party example."

Mr. Rothermel urged underwriters to develop a pleasant personality and an ability for self-expression. Another help in dealing with agents, he said, is the development of friendly and personal telephone and letter-writing techniques.

"An underwriter must have the ability to teach agents and subordinates while he is learning more about his own specialty and the other lines which his company writes," he said. "You must be 'in tune' with your company's attitude and future plans and be able to pass along this attitude and enthusiasm for the company to agents and subordinates."

La. Studies Growth of Casualty Business

The casualty and surety division of Louisiana Insurance Rating Commission is sponsoring a research project in conjunction with Louisiana State university on the future of casualty business in the state. It jumped more than 800% in the past 20 years.

George Menefee, chairman of the division, said the commission will furnish records, research and other assistance.

Roger Leidy, formerly vice-president and insurance manager for Paxton-Kent of Walla Walla, has joined M. D. Riner of Caldwell, Ida., to form the Riner-Leidy agency there. Mr. Riner has been a local agent in Caldwell since 1920. Mr. Leidy was a field man for Hardware Mutuals in eastern Oregon, joined American as an examiner in San Francisco and was later named a special agent in Washington. He was in the local agency business at Yakima before joining Paxton-Kent.



H. V. Gilman, vice-president and general manager of American Premier, visiting with Guy Ferguson of Ferguson Personnel, Chicago, at the NAII meeting in Chicago.

GAB Promotes Crews at High Point, N. C.

Roy E. Crews has been advanced from adjuster-in-charge of General Adjustment Bureau's High Point, N. C., branch to manager there. The facility, formerly under the jurisdiction of the Greensboro office now will operate as an independent branch.

Mr. Crews is assisted by S. B. Campbell Jr., and L. S. Lentz.

R. I. Adjusters Elect

Alexander C. Tainish of Providence, was elected president of Rhode Island Assn. of Independent Adjusters at the annual meeting in Providence. Other officers are Georg E. Swan, vice-president, Joseph A. Pelletier, secretary, and A. Edward LaChapelle, all of Providence, and William F. Cruise of Pawucket, directors.

CPCU Rally at Memphis Nov. 22

Memphis-Mid-South chapter of CPCU will have its all-industry luncheon Nov. 22 at Memphis. Dr. H. J. Loman, dean of the American Institute, will present diplomas to four new CPCUs in the area.

New Hampshire Moves at S. F.

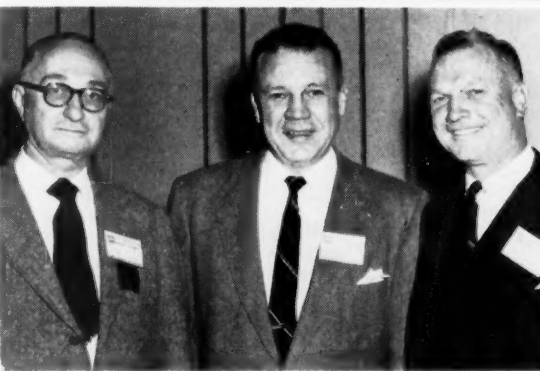
New Hampshire group has moved into its new offices at 120 Montgomery street, San Francisco. The company had a cocktail party at the Stock Exchange Club last week at which the hosts were Miley Rogers, secretary of New Hampshire at San Francisco, and President Lester S. Harvey and Vice-President A. V. McKowen from the home office.

Install Bellingham Assn. Officers

Duff Sutherland was installed as president of Bellingham (Wash.) Assn. of Insurance Agents at the recent annual banquet. He succeeds Hal Arnason Jr.

Miss Anne E. Byrne was re-elected secretary-treasurer and Robert P. Layzell was named vice-president.

The association contributed \$50 to the Veteran of Foreign Wars' school boy patrol program. In the 17 years since the program began, there have been no traffic fatalities at the crossings patrolled by the school children of Bellingham.



Gene F. Baxter of the Illinois department, with Fenton A. S. Gentry of Southern Fire & Casualty and Charles M. Fish of Freeport Ins. Co., at the NAII meeting last week in Chicago.



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survey to age 35, a really available at higher rates
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Preferred annual premiums per \$1,000 for standard
insured to age 35, \$17.28 up to age 35, \$22.50 at
age 36, \$27.00 at age 37, \$31.50 at age 38, \$36.00 at age 39,
\$40.50 at age 40, \$45.00 at age 41, \$49.50 at age 42,
\$54.00 at age 43, \$58.50 at age 44, \$63.00 at age 45,
\$67.50 at age 46, \$72.00 at age 47, \$76.50 at age 48,
\$81.00 at age 49, \$85.50 at age 50, \$90.00 at age 51,
\$94.50 at age 52, \$99.00 at age 53, \$103.50 at age 54,
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\$175.50 at age 70, \$180.00 at age 71, \$184.50 at age 72,
\$189.00 at age 73, \$193.50 at age 74, \$198.00 at age 75,
\$202.50 at age 76, \$207.00 at age 77, \$211.50 at age 78,
\$216.00 at age 79, \$220.50 at age 80, \$225.00 at age 81,
\$229.50 at age 82, \$234.00 at age 83, \$238.50 at age 84,
\$243.00 at age 85, \$247.50 at age 86, \$252.00 at age 87,
\$256.50 at age 88, \$261.00 at age 89, \$265.50 at age 90,
\$270.00 at age 91, \$274.50 at age 92, \$279.00 at age 93,
\$283.50 at age 94, \$288.00 at age 95, \$292.50 at age 96,
\$297.00 at age 97, \$301.50 at age 98, \$306.00 at age 99,
\$310.50 at age 100.

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At the end of the seventh year, the cash value will
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\$1,000.00 at age 38, \$1,000.00 at age 39, \$1,000.00 at age 40,
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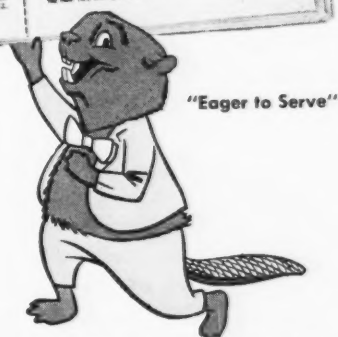
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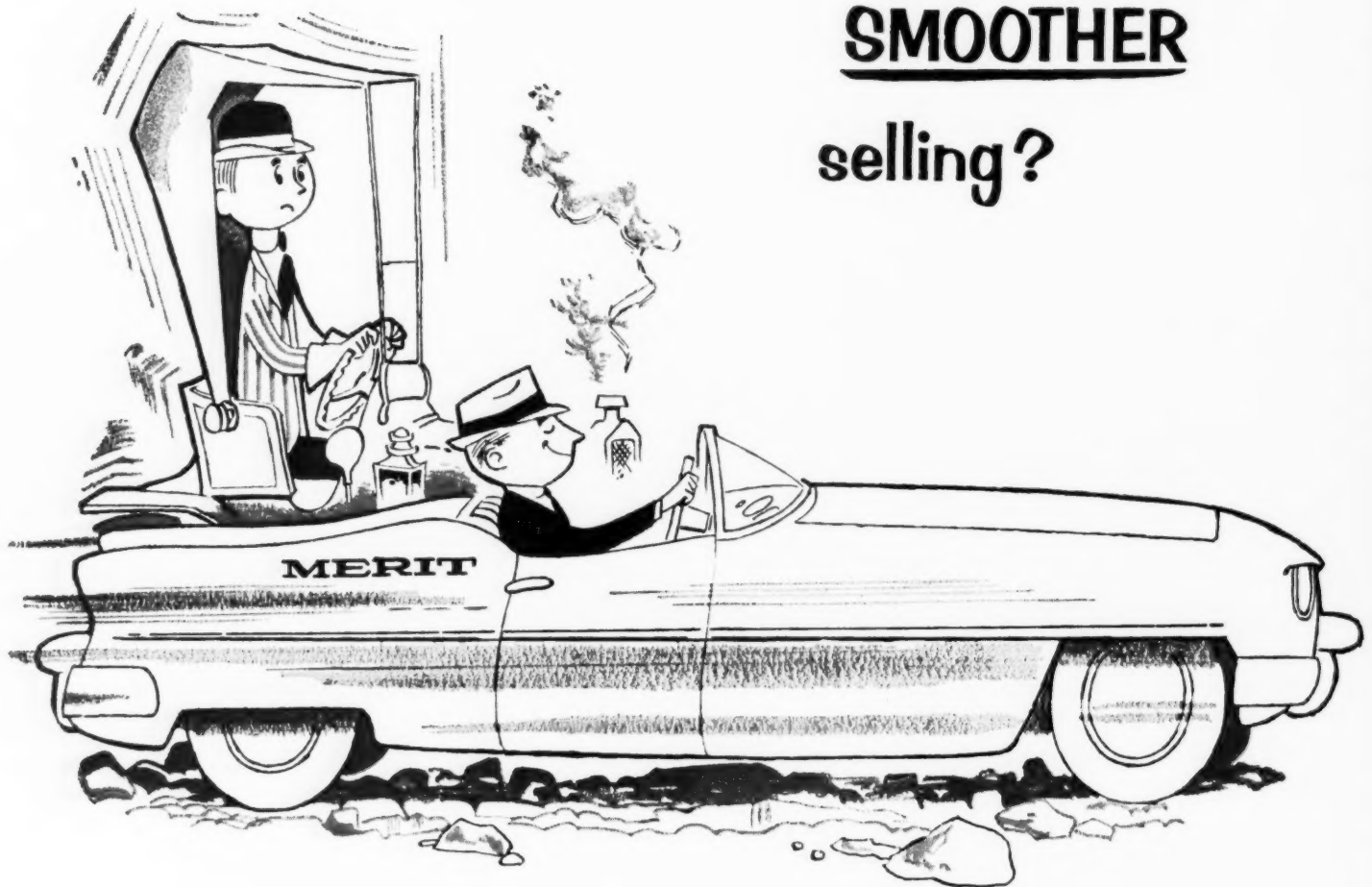
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